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ABSTRACT

Owners or managers of 181 Australian businesses employing fewer than 20 people in the construction, manufacturing, property and business services, and retail industries in 3 metropolitan and 3 nonmetropolitan locations were interviewed by telephone to identify how they used training to enhance their small business's success. Of those surveyed, one-third had had someone attend a relevant course in the past 12 months, 30% had learned from a consultant or mentor, and more than 60% had attended a business-related meeting or seminar. Small businesses with partners or employees with postschool qualifications were more likely to engaging in ongoing learning activities. The low rate of participation in training, especially by owners, and their preference for informal learning methods are consistent with a picture of small business owners who are supervisors of more formalized training and unaware that training policy could be relevant. The study demonstrated a relationship between success and learning on the job and resulted in 11 recommendations concerning developing a learning culture, learning and training design, and future policy directions relating to the provision of learning/training opportunities for small business. (The report contains 58 references and 13 tables/figures. Appendixes constituting approximately 30% of this document contain the following: 72 additional tables; discussion of the relationship between training and small business; small business training questionnaire; location selection data; and list of reference group members.) (MN)

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LEARNING AND TRAINING

Enhancing small business success

SUE KILPATRICK
SUZANNE CROWLEY

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SUZANNE CROWLEY

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Executive summary

Introduction

The report *Learning and training: Enhancing small business success* addresses some of the issues surrounding small business participation in training and other learning activities, and the relationship between participation and business success.

This project surveyed 181 businesses employing fewer than 20 people in the construction, manufacturing, property and business services, and retail industries in three metropolitan and three non-metropolitan locations. As well as information relating to formal training, the project sought information about learning from the suppliers and customers of small business, and the various networks of small business people. Information was collected by telephone interviews with owners or managers. The study is cross-sectional and it compares businesses at a point in time.

Indicators of success were developed based on a review of the literature relating to small business goals and on previous studies of the relationship between education and training and small business success. The indicators, which consider business survival, financial growth, the business environment and the non-financial goals of owners, were used to place the businesses into successful (95 businesses), neutral (46) or unsuccessful (40) categories.

Learning and training activities

Training includes courses, structured on-the-job training, seminars and meetings arranged by the business or others, and learning from mentors or consultants. Training, as defined here, does not necessarily lead to an accredited qualification. Learning is learning from print and electronic media, and incidental or *ad hoc* learning from customers, suppliers, and business and social networks.

Almost one-third of the sample had had someone attend a relevant course in the preceding 12 months, over a third had undertaken on-the-job training, 30 per cent had learnt from a consultant or mentor and over 60 per cent had attended a business-related meeting or seminar. Businesses with employees or partners with post-school qualifications were the group most likely to have participated in a course.

Those who had participated in courses, seminars and meetings or on-the-job training were more likely to have planned learning activities for the next 12

months. Greater participation in training by those with experience of post-school education is consistent with studies which have found that lack of confidence and familiarity with training and training settings are barriers to participation.

Small businesses with younger employees were more likely to participate in courses and on-the-job training; 70 per cent of the small businesses employing people under 25 had participated.

Informal learning sources were found to be useful by 82 per cent. Suppliers were the most frequently cited source, especially for learning about technical or production-related issues.

Learning, training and success

Small businesses with partners or employees with post-school qualifications were more likely to engage in ongoing learning activities, especially courses and learning from consultants and mentors, suggesting a relationship between an orientation to training and learning and success.

There appears to be a relationship between success and learning on the job; that is, learning undertaken in recent times and that achieved as a result of trial and error or experience gained when establishing a business. No other category of ongoing learning activity was utilised more (or less) by successful businesses.

Informal learning was heavily utilised by most businesses, whether the business was successful or not.

One explanation for the apparent link between qualified personnel, participation in structured learning activities and business success is that the small business managers whose natural attributes make them good managers are the same people who enjoy formal education and training and therefore gain post-school qualifications. This explanation assumes that the skills of 'management' cannot be 'taught' or 'learnt' through education and training, a position strongly refuted by the Karpin report into management education in Australia. This report recommended increased participation in management education by managers at all levels (Industry Taskforce on Leadership and Management Skills 1995).

A further, and perhaps more likely, explanation for the apparent link between qualified personnel, participation in structured learning activities and business success is that businesses are more likely to have a training or learning orientation because they have better qualified personnel. These managers are aware of a greater number of ways of doing things, and perhaps, as a result of training or education, are better informed when it comes to allocating resources, and therefore implement new practices with greater success. It is probable that these managers are more likely to use learning and training as a strategy for achieving success because it is effective. If there is a link between business success and education and training, as measured by qualifications, there appears to be a case for investment in education and training.

Attitudes to learning and training

There are mixed attitudes to formal training. Some managers see benefits and are active participants. Another group is not averse to training but is busy working in the business. They do not give training a high enough priority to find out what is available, or to take themselves or staff away from the job. A third, smaller group of businesses expressed negative attitudes to training, mainly because of a perception of poor quality and low relevance or high cost.

Developing a learning culture

Businesses with owner/managers and/or employees with post-school qualifications were more likely to be successful. Ongoing learning and training in order to improve efficiency and deal with change was associated with successful small businesses. Because a relationship exists between on-the-job training and successful businesses, participation in accredited training that includes an on-the-job component could be expected to be related to business success. There is an argument, therefore, that small businesses should contribute to the cost of on-the-job training.

Recommendation 1:
A learning and training culture where small business willingly invests in relevant training should be developed by promoting the benefits of learning on the job, ongoing learning, learning to improve efficiency and learning to deal with change. Education and training that includes an on-the-job component and leads to formal qualifications should be given special emphasis.

Employees were more likely to undertake training than were the small business owners themselves. Reports such as Karpin suggest that businesses of all sizes would benefit from more management training.

Recommendation 2:
The benefits of learning and training for owners and managers of small businesses should be a focus of the promotion of a learning and training culture.

Small businesses are familiar with learning from suppliers, trade and industry associations, others in the industry and professionals such as accountants. Some businesses have a negative attitude to training.

Recommendation 3:
A learning culture should be promoted through a co-ordinated strategy which uses all available and appropriate avenues—suppliers, trade and industry associations, others in the industry and professionals who interact with small businesses, such as financial advisers and government bodies. The awareness campaign should take into account that many small businesses regard external factors such as competitors and government policies, rather than skills, as the primary determinants of their success, and others do not believe the returns to training are worth the investment.

Learning and training design

While on-the-job training is associated with successful businesses, a substantial demand for training that is relevant and flexible and preferably on the job has been identified.

Recommendation 4:
Policy-makers and training providers must continue to work with organisations representing small business to find ways of involving small business in policy development in relation to learning and design of training. For example, consideration should be given to providing industry-specific business management programs as an alternative to provision from a central small business department in a TAFE institute. Known and familiar learning sources should be used to market learning and training opportunities to small business.

Location and time absent from the job to train were perceived as barriers to training for many businesses, particularly in non-metropolitan areas. Small business prefers the style of informal learning and likes the short duration and easy accessibility of seminars.

Recommendation 5:
Design of learning and training for small business should consider cost, time and location of the activity. Providers using more structured approaches to training should incorporate features of seminars and informal learning where possible. On-the-job training presents fewer barriers to participation and should be encouraged as the preferred method of learning. Resources for training in non-metropolitan areas need to be increased so that a wider range of opportunities is available.

Easy access to relevant learning and training for small business is a challenge for the Australian training system, which is currently investigating ways of involving the diverse small business sector. Interventions in informal learning and non-accredited training are left to government departments responsible for small business or development, and trade and industry bodies. The low rate of participation in training, especially by owners, and the preference for informal learning methods as revealed in this study are consistent with a picture of small business owners suspicious of more formalised training and unaware that

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training policy could be relevant. Small businesses tend to prefer to learn using practices such as on-the-job learning and training from suppliers and seminars run by known, usually industry, organisations. In theory, this fits well with the national vocational education and training strategy. In practice, large numbers of small businesses are not taking advantage of the formal training system to have skills recognised, nor to guide them in learning or training choices.

Additional recommendations resulting from the project

Recommendations 6 to 11 cover areas less crucial to the outcomes of the research and analysis undertaken within the project, but are, nevertheless, considered important to future policy directions relating to the provision of learning/training opportunities for small business.

Recommendation 6:
Policy-makers and training providers should build on the established relationship between small business and their suppliers to create innovative learning/training opportunities. Care should be taken to avoid conflicts of interest between suppliers and small business customers.

Recommendation 7:
Models of structured learning and training from other disciplines, particularly agriculture, should be trialled with small business. Upskilling of professionals in small businesses and others who work with small business should be a priority.

Recommendation 8:
A co-ordinated strategy which recognises and highlights the broad range of skills held by small business should be developed. Such a strategy should be implemented by the government, the training sector and industry. Further investigation is needed into appropriate ways of recognising high-quality skills in small businesses, especially the management skills of owner/managers. An appropriate recognition system could be used by those needing to assess the quality of a business, as well as by government when purchasing goods and services.

Recommendation 9:
The current, high level of interest in learning about computers and the internet should be maximised by provision of learning opportunities and training programs targetting small business.

Recommendation 10:
Further research is needed into the effectiveness of the various learning methodologies for small businesses which take into account their defining features such as industry, skill requirements, location and business size.

Recommendation 11:
Further research which analyses how small businesses make learning and training decisions is needed. This should lead to the development of guidelines for small business on when to undertake training and how to choose the training most appropriate to their needs.

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1 Introduction

The Australian Bureau of Statistics (ABS) (1998) has estimated that there were around 899 700 small private sector businesses in Australia in 1997, with some 3.2 million employers and employees (excluding agriculture). Small businesses employed just over 50 per cent of the total private sector workforce. Bastian (1998) of the Council of Small Business Organisations of Australia (COSBOA) argues that small businesses generate jobs because they are labour-intensive. Small business is under-represented in formal education and training activities (Baker & Wooden 1995), with studies finding that less than a quarter have participated in training since commencing business (NCVER 1998).

The Federal Government has developed policies designed to increase the skills of the Australian workforce so that Australia may more effectively compete in the international market. The Federal Government has also established policies to encourage the growth and development of small business as a potential employer. If education and training are significant contributors to skill maintenance and development, and as small business represents a large and growing proportion of national employment, then the under-representation in education and training by some businesses has implications for the nation's international economic competitiveness.

The project *Learning and training: Enhancing small business success* addresses some of the issues and questions surrounding the extent of participation in training and less formal learning activities by small business owners and their employees, and the relationship of that participation to business success.

Structure of this report

The report is comprised of seven chapters. In this chapter, the rationale for the project is explained and the objectives and background to the project are described. Chapter 2 provides an extensive review of the literature relating to small business learning and training. Chapter 3 presents the methodology used in the project. The six objectives of the project are covered in the remaining chapters. Results and a discussion of the issues appear in chapter 4 (Nature and range of learning activities addressing objective 1, and chapter 5 (Learning and success addressing objectives 2 and 3). In chapter 6, objectives 4 and 5—Factors that foster and inhibit small business participation in training—are addressed. The conclusions and recommendations form chapter 7 (objective 6—recommendations on structural arrangements to the provision of training for small business). There are five appendices. Appendix 1 contains tables A3 to A71 that are additional to the tables in the body of the report.

Rationale

If, as noted earlier, education and training are important to skill development, and as small business represents a large proportion of national employment, then the low rate of participation in education and training by small business has implications for the level of skills in the economy as a whole. Small businesses will invest in training if there are returns to the business from the investment. Thus, returns to individuals or to the economy as a whole are unlikely to be sufficient incentive to induce small business owners or managers to invest time or money in training. Even if a small business acknowledges that skilled workers do contribute to business success, hiring staff who already have the necessary skills can be an economically rational alternative to investing in training.

An understanding of the relationship (if any) between small business success and participation in learning and training will inform policy and influence funding for small business learning and training activities. Information relating to both the range of current small business training and learning behaviour patterns and those correlated with successful businesses will allow appropriate training programs and products to be developed.

Objectives

The objectives for the project were to:

1. Establish the nature and range of training activities, broadly defined, in which small business owners/managers and their employees participate, including business management training.
2. Examine the relationship between current and past participation in education and training and small business success and failure using indicators such as profitability (broadly defined), ability to make successful changes to practice, business plans and length of time in business.
3. Determine the differences, if any, in training participation and its relationship to success and failure between metropolitan and non-metropolitan business, businesses of different numbers of employees and businesses in different industries.
4. Examine how small businesses decide how to improve their knowledge and skills.
5. Determine the factors which foster and inhibit small business participation in training.
6. Make recommendations based on the findings of the project, on structural arrangements and approaches to the provision and recognition of training which will assist small businesses to access appropriate training.

The findings of this report are of interest to small business interest groups, providers of training to small business, and policy-makers in vocational education and training and small business development.

Background

Small business and learning

In 1994, Australia embarked on a reform of national training with what became known as the National Training Reform Agenda (Keating 1992) and has evolved into the National Training Agenda (ANTA 1998b). It was argued that there was a direct correlation between economic performance and a skilled workforce. A better skilled and more adaptable workforce would provide greater flexibility, and, as a result, industry would be better prepared for competing in the international arena. The training agenda has been established within bigger businesses for some time, but increasing the participation of small businesses in training programs has proved more problematic. Every small business has its own structure, largely defined by its owner/operator, and reliant on their individual approach. The training agenda developed for big business has not easily translated to the small business sector, as evidenced by a lower rate of participation by the small business workforce (Baker, Wooden & Kenyon 1996).

A number of arguments have been put forward to explain why small businesses do not choose to participate in training at the same rate as larger businesses. Some of these have focussed on the distrust by small business operators of the formal training system. Others concern the constraints to participation experienced by small business, constraints which are more easily addressed by big business, such as limited time, the nature of the training, and its cost, availability and location (Taylor 1997; Kirkwood 1996; Wolcott 1993). Another argument is that trainers need to make training more relevant and accessible for small business (Field 1997; A Gibb 1997; Catts et al. 1996; Callus 1994). There is also a belief that small business may not need formal accredited training as recognised by the Australian Qualification Framework (ANTA 1998a) because small businesses already have well-developed methods for acquiring knowledge to enhance the performance of their business.

There is a growing body of work which suggests that small business relies on a range of informal, contextualised learning methods, such as learning from suppliers or other businesses, as well as learning by doing (for example, Field 1997; A Gibb 1997). Writing about the learning environment of small business managers, A Gibb notes:

> *The predominant contextual learning mode in this environment is that of: dealing with a wide (holistic) task structure; learning from peers; learning by doing; learning by feedback from customers and suppliers; learning by copying; learning by experiment; learning by problem solving and opportunity taking; and learning from making mistakes...*
>
> *The learning environment described above is continually creating 'subjective' contextual knowledge; this contrasts sharply with the 'objective', largely decontextualised (from the specific problems/priorities of the firm) learning environment frequently provided by the teacher or trainer.* (1997, p.19)

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Many reports (Industry taskforce on Leadership and Management Skills 1995; Coopers & Lybrand 1994; Bureau of Industry Economics 1991) suggest that the level of management skills among small business owners is low, a factor which impacts negatively on managers' attitude to skills development for themselves and their employees. A number of studies refer to the negative attitude of small business operators towards more formal or structured forms of training and development (Seagraves & Osborn 1997). Other reasons for low rates of small business participation in structured training given in the literature include:

- a preference for independence
- lack of confidence in working in training settings
- a preference for information from known sources
- a fear of being exposed to new knowledge and skills
- a tendency to hire staff who are already skilled for the job
- the fact that many jobs in small businesses are low skilled
- the cost of training, including time

(NCVER 1998; Kilpatrick & Rosenblatt 1998; J Gibb 1997)

Work such as that of Field (1997), A Gibb (1997) and J Gibb (1997) finds that learning in small business is much broader than training. Learning includes learning informally during the course of everyday work through trial and error, from suppliers, colleagues and customers, and from reading relevant technical or management literature or Web sites. This project therefore investigates informal learning, as well as training, in relation to small business success. It considers learning activities of owners/managers and their employees.

While the intention of the training agenda is to improve economic outcomes, research to date has not been able to demonstrate a clear relationship between the participation of small business in training or learning and small business success. This is partly because many of the variables which impact on the success of small business are external to the business; for example, consumer tastes, government policies on taxation and the actions of competitors and suppliers. In this context it is relevant to note the growth in the small business sector in the retail industry which was much lower than that of the big business sector, with a move away from the smaller shops to larger retail groups in the 13-year period between 1993–94 and 1996–97 (ABS 1998, p.21).

Establishing a link between training or learning and small business success is difficult because the concepts 'business success', 'learning' and 'training' are themselves complex and difficult to measure. The literature reviewed in chapter 2 cites studies that measure small business success variously by profitability, productivity, growth and survival. Other work suggests that small business goals are not purely financial (for example, Barrett 1997). A study of 250 small businesses in northern New South Wales suggested that measures of success should take account of personal, family and non-financial business objectives (McDowell 1996). The measure of success developed for this project takes account of the financial and non-financial goals of small business (see chapter 3).

While formal qualifications can be used as a measure of education and training, they are not a measure of all human capital (or knowledge and skills). Formal

qualifications do not measure learning through experience or learning from training programs run by suppliers or adult and community education programs. Studies which use highest educational qualifications to measure human capital ignore skills acquired through 'lower' level qualifications; for example, a university Arts graduate who also has a diploma in information technology from a TAFE institute.

A number of structural and location variables which may influence small business success and the availability of learning and training opportunities are considered in the project. They include location (metropolitan or non-metropolitan), industry, age of the business and number of employees.

Terminology

Definition of small business

This study used a modification of the ABS definition of a small business, which is based on the report of the House of Representatives Standing Committee on Industry, Science and Technology (ABS 1998). The ABS defines small businesses as those employing less than 20 people, except in manufacturing where businesses employing less than 100 are classified as small. Micro-businesses are defined by the ABS as those businesses employing from zero to five employees. In this study small businesses are defined as those employing less than 20 people, regardless of industry.

In 1996–97 of the estimated 899 700 small businesses in Australia, 83 per cent were micro-businesses (ABS 1998, p.78).

Learning and training

In this project, formal education and training are measured according to firstly, the highest qualification in the business and secondly, the highest qualification in the management team. Training is measured by reported business involvement in organised activities. Training includes vocational education and training (VET) courses, seminars and business meetings designed for sharing or developing knowledge or skills, on-the-job training organised by the business or others, and learning from mentors or consultants engaged by the business. On-the-job training is any structured or organised learning activity undertaken on the job as opposed to in a formal learning situation. Training, as defined in this report, does not necessarily lead to an accredited qualification. Learning is measured by reported business involvement in learning from print and electronic media (not as part of an organised training activity), and incidental or *ad hoc* learning from customers, suppliers, and business and social networks.

Success indicators

Indicators of success were developed based on a review of the literature relating to small business goals (Barrett 1997; Field 1997; McDowell 1996; Kelmar 1991)

and a review of previous studies which had attempted to measure the relationship between education and training and small business success (see chapter 2). Previous studies tended to use financial indicators: profitability, productivity (output per unit of input, or value of output per dollar of input), growth (measured by turnover, market share or profitability), or survival of the business for a certain period (usually two to five years). This literature suggests that an indicator of success should include both a financial element and a survival element.

Barrett (1997), and McDowell (1996) pointed to the importance of non-financial, or lifestyle goals, such as independence, an adequate income (not maximising income) and having enough time for family and personal interests. A business could be regarded as successful by its owners even if it were not growing and its level of profitability would be considered low by outsiders. Having and referring to a business plan has also been suggested as an indicator of potential business success (Kelmar 1991). This literature suggests that a financial indicator of success should be moderated by an indicator of other goals. Having a business plan should be considered as an indicator of success.

The performance of a business depends on factors in its external and internal environment. A business which does not show growing, 'successful' financial indicators, but has survived a major negative 'shock' such as new competition, loss of a key employee or loss of a large customer, could be argued to be 'successful'. Thus, an indicator of business success should take account of changes in the environment of the business, such as whether or not the business has survived a negative shock.

Chapter 3 offers a description of the process used to derive three categories of 'success' from the data collected in the project: these are labelled successful, neutral and unsuccessful.

Following piloting of the questionnaire, turnover was chosen as the financial indicator for the categories. To be placed in the 'successful' category, businesses had to have survived at least three years and either had increasing turnover; or have maintained turnover at a steady level and met their owners' non-financial goals; or have maintained turnover at a steady level despite experiencing some event which had impacted negatively on the business. In order to be sure that businesses in this last group had truly survived the negative event, those with steady turnover and a negative event, but unmet non-financial goals had to have survived more than five years to be deemed successful.

'Unsuccessful' businesses had to have been established for at least two years and have reported decreasing turnover. The remaining businesses were either too new for their success or lack of it to be apparent, or were neither clearly successful nor clearly unsuccessful. They were placed in the 'neutral' category.

2 Literature review

Small business participation in training activities

Recent research has found overwhelmingly that the incidence of formal training in small businesses is low in Australia (Baker, Wooden & Kenyon 1996; Borland & Home 1994; Baker & Wooden 1992) and overseas (Booth 1993; Brown, Hamilton & Medoff 1990; Barron, Black & Lowenstein 1987). For example, unpublished ABS data reported by Baker, Wooden and Kenyon (1996) show that businesses employing less than ten people are much less likely to participate in training (on the job, in house or externally) than businesses employing more than ten. In 1993, only 19.4 per cent of businesses employing less than ten reported training activity compared to 98.1 per cent of businesses employing 20–99 people.

Several reasons have been advanced in the literature to explain the relatively low training participation among businesses with few or no employees. These centre around four themes:

- small business substitutes other, less formalised, forms of learning for training
- a belief that formalised training is not necessary, or not as effective as other ways of learning for work
- a lack of appropriate training available
- the barriers to accessing appropriate available training

Alternatives to training

Learning at work is contextualised to a particular workplace, culture and set of tasks. It can be structured, as in doing a course, or unstructured as in learning by feedback from customers and suppliers (A Gibb 1997; Taylor 1997). Australian studies undertaken by, for example, Field (1997), Kirkwood (1996) and Kilpatrick (1996) and covering a number of industries, have identified that small enterprises give preference to strategies that are work-based, such as learning on the job and mentoring. Field suggested there are a variety of forms of learning at work that do not fit into a formal training definition. He pointed out that best-practice workplace training in the Australian context is generally believed to be structured training, yet self-directed, experiential, action-orientated, unplanned (and unstructured) learning all can be very significant for individuals and their enterprises. Such learning is distinguished from 'training', which can be 'delivered'. Field identified a number of common small business

learning strategies; for example, discussions with product representatives, supplier-run seminars and working in other job areas. Limited reliance on structured training did not mean that learning was limited. The learning which occurred between enterprises, such as between suppliers and their customers, was particularly important for business in the context of gaining additional knowledge and skills.

Callus's (1994) review of literature noted that mentors or advisers such as accountants were the 'most influential source of information and ideas for small employers' (p.26). Catts et al. (1996) studied small businesses in Queensland and found that much of the learning that occurred was *ad hoc* and reactive in nature. A recent training audit of small businesses confirms the prevalence of informal learning. Although 86 per cent of the small Tasmanian rural businesses surveyed reported involvement in some learning or training activities, 65 per cent of these businesses participated only in informal and unstructured learning (Centre for Research and Learning in Regional Australia 1999).

Catts et al. (1996) identified the need for commitment by both owner/manager(s) and participants for the training to be effective. Learning and training have to be seen to enhance productivity and to have inherent benefits to employees to be successful. Baker, Wooden and Kenyon (1996) pointed out that tension exists between the training needs of the individual within the small business who can be expected to benefit from acquiring nationally recognised skills through formalised training, and how the small business provides training (often through informal learning on the job). Addressing this tension 'is essential if the National Training Reform Agenda push for labour force mobility supported by accredited training is to be realised' (Baker, Wooden & Kenyon 1996, p.18).

Relative effectiveness of training and other ways of learning

Several researchers have found that small businesses prefer a hands-on learning (learning by doing), informal approach, as identified above, because they believe it to be more effective. This finding is confirmed by Catts et al. (1996), a Western Australian study by Robertson and Stuart (1996), and a national study by Coopers and Lybrand (1994). Many small businesses are located in industries which do not have a tradition of training; for example, retail and other service industries. Since there is a greater concentration of jobs with low-skill requirements within the small business sector (Baker, Wooden & Kenyon 1996), specialised training is not required for many small business skills, which tend to be learnt informally, on the job (Seagraves & Osborn 1997; Johnson & Grubbins 1991; Vickerstaff 1991). Callus (1994) concluded that one of the reasons for low participation in formal courses was an attitude exhibited by managers of small businesses that formal training was unnecessary (p.22).

Small businesses are not always in the best position to be aware of changes in policy and in the national culture surrounding training and the way training is delivered, particularly those changes which have taken place in Australia in recent years (Callus 1994). Many small business owners spend long hours working in the business, which, combined with a strong preference for

independence, produces an inward-looking culture and suspicion of external input (such as from training providers):

> [Development of] *extensive networks in small business is restricted by the nature of work involved in a small business. Self-definitions stress independence very strongly and running the business is a main exemplification of this value. This produces a fortress enterprise mentality in dealing with the wider environment.* (Curran et al. 1993, p.23)

Seagraves and Osborn (1997), referring to a longitudinal study by Stanworth and Gray (1992), suggested that attitudes to training had changed little over the previous 20 or more years, with most small business still prejudiced against participating in formal training. They identified the 'extensive literature reporting the lack of commitment to training and development in the SME [small to medium enterprise] sector' (Seagraves & Osborn 1997, p.46). Catts et al.'s (1996) study of the value of training in the workplace noted that the small business workplace may have remained substantially unaffected by recent reforms in industrial relations and training. They attribute this to the fact that small business has traditionally been multi-skilled and non-unionised.

Catts et al. (1996) pointed out the broad range of roles essential for the small business owner/manager, which includes marketing, buying, financial control, personnel management, industrial relations and training. They suggested this broad range of tasks limits the time available for making decisions about training needs. Further, they highlighted a perception held by owners/managers that the skills needed to manage a small business cannot be taught. Baker, Wooden and Kenyon, commenting on the work of Vickerstaff (1991), noted that the attitude of owners/managers had a significant impact on the training provision in small firms and argued that 'small business managers lack an understanding of how to determine training needs, decide on appropriate training and set training objectives as well as the skills to actually train their staff' (Baker, Wooden & Kenyon 1996, p.15).

Appropriateness of available training

As identified in the previous section, one of the hindrances to small business participation in training is that many owners see their present practices as satisfactorily addressing the learning required by business. Catts et al. (1996) found that 'small businesses believed that the best management skills need to be locally delivered in a relevant, timely and efficient manner using a flexible, hands-on approach' (p.2). Owners/managers see this as their current practice and therefore see no reason to change to more formalised training such as that offered through the national training strategy (ANTA 1998a).

Baker, Wooden and Kenyon (1996) question whether the formal training that does take place is appropriate. Callus (1994) also suggested that the lower-than-average use of external courses by small businesses might be due to the inappropriate nature of the courses as well as their inaccessibility. Training providers do not necessarily act in ways which are sympathetic to the culture of

small business according to the Council of Small Business Organisations of Australia (Bastian 1998). Catts et al. (1996) and Callus (1994) recommended that training providers develop more innovative and supportive approaches to training.

A very wide variation exists in small businesses' training needs, and so generic-training courses aimed at 'small business' are unlikely to match the needs of all small businesses. There are variations in training need due to industry and industry segment factors, size factors, employee and owner/manager factors (for example, existing skill levels). An understanding of learning/training decision-making in small business would help match training provision to needs (Callus 1994).

Barrett (1997), Field (1997) and Still (1994) all noted the highly casualised nature of the small business workforce and how this creates particular training/learning issues for female workers. Women as small business operators are increasing in number: the number of women working in their own businesses in Australia increased by approximately 26 per cent from 1983–84 to 1989–90 (Still 1994, p.3). Barrett (1997) suggested the industries whose training needs have traditionally been accommodated by TAFE have cultures which can discourage women from entering or staying in the industry.

Insufficient flexibility among training providers (Kirkwood 1996), combined with the lack of economies of scale in small business (Baker, Wooden & Kenyon 1996), make it difficult for employers to access training which is contextualised to their particular small business. Catts et al. (1996) also identified insensitive training or the non-recognition of existing skills as potentially counterproductive to further training.

Temple (1995) identified reasons for failure of training programs as 'insufficient guidance by providers, inadequate structuring of support, mismatch between materials and learners' expectations and lack of prioritisation by employers' (p.3).

While the fortress enterprise referred to previously by Curran et al. (1993, p.23) may be a positive strategy to deal with competition in the marketplace, it may have a negative impact on the acquisition of skills and knowledge. Encouraging small businesses to collaborate in the design and participation of training as suggested by Callus (1994) and supported by Schofield (1994) might help develop a range of appropriate training strategies and programs and reshape the attitude of small businesses toward training.

Barriers to accessing training and other learning activities

A broad range of factors, apart from those of attitude and availability of appropriate training already identified, inhibit learning/training activities in small business. Many of these are related to the resources such as time and money. Others relate to employee reluctance to train and the flexibility of training providers.

Taylor (1997), the Centre for Research and Learning in Regional Australia (1999) and Seagraves and Osborn (1997) identified lack of financial resources to cover costs and a shortage of replacement personnel (resulting in reduced productivity if personnel released are for off-the-job training) as barriers to training. These factors are exacerbated in non-metropolitan areas where a dispersed training market, because of a small pool of trainees, adds long travelling times. This is especially the case for some forms of specialised training which may only be available interstate (Kirkwood 1996). Family businesses where owners share childcare and work can find access to childcare a barrier to training attendance (Wolcott 1993).

There are rational reasons for small business's reluctance to invest in training. The easy portability of externally provided formal training for employees means that skills can be taken elsewhere. Trained employees could leave a business before it has had time to recoup the cost of training. Also, the greater likelihood of business failure in small firms reduces the chances of realising returns on investments in training (Baker, Wooden & Kenyon 1996, p.17). Limited career structures in small businesses can result in a lack of incentive for employees to undertake training, especially in small labour markets with few alternative employers (Kirkwood 1996). Other employee-related inhibitors to training identified in the literature include resistance among older employees (Kirkwood 1996).

Learning and training and success

Skills development, and training in particular, is often prompted by requirements of external bodies (government, awards, financial institutions, suppliers or customers), new technology, a desire to expand, and a crisis, rather than a desire for business success. Most of these prompts to learn are reactive, with the exception of a desire to expand and early adoption of new technology (Coopers & Lybrand 1994).

Extensive literature reviews by the Victorian Office of Training and Further Education (1998) and Billett and Cooper (1997) found that there are returns to training for enterprises but that the returns are difficult to evaluate. Catts et al. (1996) argued that there is no easily established link between productivity and training: 'business indicators, especially over the medium term, are affected by many factors and training cannot be isolated as a factor' (p.78). The link between learning and training and success in small business is difficult to prove, in part because it is difficult to unpack the many factors that make a small business successful.

There is some evidence of a relationship between prior education and success in small business. Success is variously measured by profitability, productivity, growth and survival in these studies. A number of studies summarised in a 1995 World Bank report found that small businesses with better-educated managers are more likely to grow and/or survive. Kilpatrick (1996) found that small agricultural business owner/managers with formal qualifications were more

profitable because they were better able to make appropriate and successful changes in their business.

The literature indicates that the survival of a business is improved by management training and work practices that enhance efficiency. A large Australian study over a 12–year period found a significant relationship between prior formal education and business success, measured by survival (Williams in McMahon 1989, p.62). The Office of Training and Further Education (1998), Billett and Cooper (1997) and Kilpatrick (1997) cite literature that show a relationship between education and training and improved business outcomes. Karpin in the Industry Taskforce on Leadership and Management Skills (1995) linked enhanced management skills with improved productivity, while the Bureau of Industry Economics (1991) found that although business managers generally reject management training 'there is a relationship between the quality of management and overall business performance and the number of training courses attended' (1991, p.29). This study went on to note that there was no relationship between extensive technical training and good management skills, although such technical training did assist survival of the business. The study also found more extensive business management education enhanced business survival.

Specific or on-the-job training is an important factor in increasing productivity. A study by the American Society for Training and Development found that over half the productivity increases which occurred in the United States between 1929 and 1989 were due to learning on the job, and that people given formal workplace training have a 30 per cent higher productivity rate (Business Council for Effective Literacy 1993). Learning organisation theory literature is based on the premise that learning in the workplace increases productivity (for example, Senge 1993).

Work with small businesses in agriculture confirms a preference for informal learning methods for the sorts of reasons discussed earlier in this chapter, but finds that businesses which participate in organised training (accredited and non-accredited) are more likely to make successful changes to their practice and are more successful in terms of profitability (Kilpatrick 1997, 1996). The ability and willingness to make successful changes to practices in the business is suggested as the link between education and training and business success (measured by productivity, profitability and/or survival).

Education and training is especially important for those functions which require adaptation to change (Sloan 1994). Welch (1970), in a seminal work in human capital theory, found that education can affect productivity via improved quality of labour and also via an allocative effect which is due to improved ability to process information, select inputs and allocate inputs across competing uses. A number of studies suggest that the better educated are aware of a greater number of potential innovations because of contact with the mass media and interactions with expert advisers (for example, Rogers 1995). When combined with enhanced ability to select the best of these innovations, this awareness will lead to superior outcomes for businesses with better-educated managers and workforces.

A final body of literature which suggests that education improves responsiveness and adaptability is that which concludes that education alters

values and attitudes. The interaction between participants which takes place during training time and before and after sessions allows individuals to compare their values and attitudes with group norms. The opportunity to alter values and attitudes during training increases the probability of a change to practice (Guba & Lincoln 1989).

Informal learning, as well as training, has the potential to alter values and attitudes either towards or away from change. Lave and Wenger (1991) suggest a model of learning as social construction. Learners learn to function in a community by learning the shared language and acquiring the community's subjective viewpoint. Brown and Duguid (1991) talk of shared meanings for interpreting complex activities being formed and transformed through problem solving in workplace communities.

McDonald and Moy (1998) have suggested a model for evaluating the returns to enterprises from training. Objective measurement of the effectiveness of training (and learning) is inhibited by the difficulty of isolating its impact from the multitude of other variables that impact on business success. Small business owner/managers could be expected to be in the best position to judge the impact of training, given other changes in the business. However, Callus (1994) reported on a survey by Isaac which found that:

> *42 per cent of firms surveyed had made some changes in training at the workplace in the previous two years. Seventy-two per cent of these firms reported that the change had only had a negligible or small effect on productivity and efficiency of the firm. It could be that small employers do not effectively evaluate the effects of training.* (p.25)

National goals and low small business investment in training

The recent decades have seen economic policy driving the development of training policy in order to improve Australia's competitiveness, with the expansion of education and training becoming a key platform of government economic and social policy (Baker, Wooden & Kenyon 1996). The national training reform agenda (Keating 1992) identified goals for expanding education and training in line with policy. These goals have been updated in the national training strategy, and five objectives are set out in the document *A bridge to the future* (ANTA 1998a). Its objectives are articulated as equipping Australians for the world of work, enhancing mobility in the labour market, achieving equitable outcomes in vocational education and training, increasing investment in training, and maximising the value of public VET expenditure (p.i). The national training strategy is largely based on developing structured training arrangements with accredited outcomes within a unified national system.

The National Board of Employment, Education and Training (1994) recommended, in its list of strategies relating to training and research focussing on the training needs of small business, making provision in the design of small business programs, for the recognition of skills acquired on the job and for other prior learning. While the national training strategy recognises that the growth

of small business is one of the major forces for change affecting the strategy (ANTA 1998a, p.1) and has objectives that appear to apply to small business as well as the rest of the economy, many have questioned the applicability of this policy to small business.

The formal structure of VET which evolved from policy directives has been adopted by big business, but it has become increasingly apparent that the low take-up of training by small business means that the policy approach to training for this sector needs to be modified. One strategy has been the development of training packages 'that cross industries, such as small business' (ANTA 1998a, p.6). However, these do not take account of a preference for highly contextualised training that is directly relevant to individual small businesses. Baker, Wooden and Kenyon (1996) argued that there are:

> *good reasons to suspect that reactions to government policy initiatives in the training areas will be very different among SMEs [small/medium enterprises] as compared with large enterprises, but at the same time the policy agenda has been driven by the concerns of big business.* (p.3)

Callus (1994) noted that policy can have complex and often unexpected impacts and suggested it would be interesting to examine the application and relevance of Australia's training reform agenda to workers in small businesses. He suggested in 1994 that few small businesses would:

> *have any idea what an ITAB [Industry Training advisory body] does, or what competency-based skills are. Training policy, like industrial relations policy is based on a large employer and manufacturing model of business and is often ignorant of the special needs of small business employers and their employees.* (p.17)

Recent policy documents acknowledge that small business training participation levels remain a concern. Achieving training outcomes which meet the needs of small business is identified as a priority area for VET, as is increasing industry investment in training, including that by small business (ANTA 1998a, p.19). However, *More time for business* (Howard 1997), a recent government publication on government policy in relation to business, addressed training issues only on the final three pages of a 113-page document.

A poorly educated workforce had two consequences: 'it limits our [Australia's] productivity... [and] has a compounding effect by inhibiting further training' (Kilpatrick 1996, p.viii). The following section outlines suggestions made in the literature for involving small business in appropriate learning and training activities.

Increasing small business in training and learning

COSBOA approves of a shift in policy thinking from training to learning, in line with evidence that small businesses prefer highly contextualised learning and find it more effective than 'generic' training. They argue the case for direct subsidisation of small business learning (Bastian 1998). Baker, Wooden and

Kenyon (1996) argue for caution in developing policy that focusses too strongly on the upskilling of the small business labour market as the costs to small business could provide a further disincentive to training.

A number of writers make suggestions about learning and training delivery methods that should increase small business participation. Callus (1994) suggested innovative delivery methods and self-paced modules in addition to structured face-to-face delivery of training programs for small business, a delivery method possible under the national training strategy. Catts et al. (1996) suggest that more emphasis be placed on assisting small business develop management skills which would provide for effective planning of training. Falk, Kilpatrick and Morgan (1996) recommended that training include practical applications which are directly relevant to small businesses' own situations and which enhance effective acquisition and transfer of learning. They made further recommendations on the desirability of interactive group work, local experts and a facilitated process that provides a flexible learning environment. Kilpatrick (1997) recommended that the features of effective training be promoted and that there is no one 'right' way, but, rather, a variety of training methods and environments are needed that can be adapted to the small business's situation.

Catts et al. (1996) argued that some retraining of trainers may be necessary. Their report noted that the practice of recognition of prior learning (RPL) had not been integrated into the training schemes provided to small business: 'The trainers had learnt the language of current training pedagogy but were not necessarily applying it' (Catts et al. 1996, p.79). The use of RPL to identify potential mentors to reinforce training, provide ongoing support in the use of new skills, and maintain competency, was also suggested (Catts et al. 1996, p.78). Field (1997), Schofield (1994) and Still (1994) have all called for more innovative approaches to the establishment of support services for small business, with an emphasis on the development of networks and consortia among similar and dissimilar businesses within local communities in order to foster a more co-operative approach to problem-solving and learning.

Baker, Wooden and Kenyon (1996) suggested the use of group training companies to provide a link between the training requirements of small business and the formal, structured accredited training focus of the national training strategy, while Catts et al. (1996) recommended a role for government as broker/facilitator in the establishment of learning/training programs and to monitor the effectiveness of the training delivery. Follow-up and ongoing support subsequent to initial training is emphasised by a number of researchers (Kilpatrick & Johns 1999; Kirkwood 1996; Schofield 1994).

An extract from an address to a group of trainers by the chief executive of COSBOA is perhaps an appropriate conclusion to a discussion on increasing small business participation in training:

> *Look closely at the sector's key issues because they are your market ... you should be trying to embrace the culture of the client base you are serving.*
>
> (Bastian 1998, p.8)

3 Methodology and sample characteristics

The project sought information from small businesses about the range of learning activities in which they participate. As well as formal training, the project considered learning from suppliers, customers and networks of other small business people.

The study is cross-sectional and it compares businesses at a specific point in time. Authors such as Baker and Wooden (1995) argue that it is difficult to assess the benefits of training without longitudinal data; however, the time frame for this project (12 months) did not allow for the collection of longitudinal data. This project is therefore a snapshot of the relationship between small business and learning in 1998.

A key feature of the methodology for this project is the involvement of stakeholders. National associations representing small business and industry associations and industry training boards participated in the project reference group. (See appendix 5 for a list of reference group members.)

The project methodology consisted of seven steps:

- Literature review and development of possible indicators of success (see chapters 1 and 2)
- Establish project reference group (appendix 5)
- Identification of survey locations and industries
- Sample selection and data collection
- Data analysis, finalisation of indicators, development of draft recommendations and draft report writing
- Circulation of draft report to project reference group
- Preparation of final report and other dissemination products (summaries)

Identification of survey locations and industries

Locations

Four industries in each of three metropolitan and three non-metropolitan centres were selected for survey. Metropolitan centres are defined as those with a population of 100 000 or more. The geographic areas selected were chosen to include regions of fast economic growth and regions of slower economic growth. The industry and geographic samples attempt to take account of the effects of varying short- and long-term economic conditions on training and small business.

Twenty-two geographic regions matching the criteria outlined in the previous paragraph were identified using the indicators of building approvals, population, median income, gross State product, Australian standard geographical classifications and housing and the labour force from the ABS (1997, 1998). (See appendix 4 for details of the selected locations.) The regions varied from relatively large geographic areas—for example, north-western Tasmania—to smaller regions such as Fairfield in the western districts of Sydney. Locations within these regions were short-listed and divided into four categories:

- metropolitan locations in regions of fast economic growth
- non-metropolitan locations in regions of fast economic growth
- metropolitan locations in regions of slow economic growth
- non-metropolitan locations in regions of slow economic growth

Locations were sorted within each of the four categories in order of priority for inclusion in the survey. The project reference group was consulted in selecting the locations to be surveyed. They used knowledge of small businesses in their industries in the short-listed areas to assist in selection of the survey locations. The locations chosen, which represent six different States and Territories, were as follows:

1 Metropolitan
  Darwin, Northern Territory (fast growing)
  Fairfield, New South Wales (slow growing)
  Port Adelaide, South Australia (slow growing)

2 Non-metropolitan
  Emerald, Queensland (fast growing)
  Tamworth, New South Wales (fast growing)
  Burnie/Wynyard, Tasmania (slow growing)

Local business and industry organisations, radio stations and newspapers in chosen locations were notified of the project via a media release a week before the survey commenced. This promotional strategy was designed to increase the response rate of small businesses. Three radio interviews (Burnie/Wynyard, Emerald and Tamworth) and at least two newspaper articles (Fairfield and Burnie/Wynyard) resulted from these strategies. There may have been other articles in local papers and newsletters or radio news reports that did not come to the attention of the researchers.

Industry selection

The industries chosen represent those where most small businesses are located (ABS 1998): construction, retail, property and business services, and manufacturing. Although more small businesses are located in agriculture than manufacturing, agriculture was not selected because there already exists a large body of work on training and small agricultural businesses. Of the four nominated industries, one is a growing industry (property and business services), one is a declining industry (manufacturing) and two are industries

which move with the economic cycle (construction and retail). Between 41 and 50 businesses from each of the four industries are in the final sample.

Sample selection, recruitment and data collection

It was proposed to sample eight operating small businesses in each of the 24 sub-samples (industry by geographic area), a total of 192 small businesses. A methodology using semi-structured telephone interviews with small business owner/managers was chosen to gather some rich qualitative data, as well as data which could be analysed using quantitative methods. Since telephone interviews have a higher response rate than mail surveys, it was anticipated that a more representative sample of the population of small businesses in the selected industries and locations would result. Telephone interviews were also chosen instead of more time-consuming and expensive face-to-face interviews in order to get a large enough sample for quantitative analysis within the project budget.

Sample selection and recruitment

Small businesses were selected using random sampling from the Yellow Pages internet site. The Yellow Pages headings which covered the selected industries were first established from the Yellow Pages index. The Yellow Pages allows location and business type to be specified, but does not have information about business size. Businesses were telephoned to determine if they met the definition of a small business (less than 20 employees), and the project was briefly explained. Those interested in participating in the study were faxed a project information sheet (see appendix 2), and a time made to conduct a semi-structured telephone interview with an owner or manager. In about ten per cent of cases, the subject asked to complete the survey in writing. These people were faxed, emailed or mailed a copy of the survey instrument (see appendix 3).

It was intended to survey 20 owners of recently failed small businesses. Attempts to identify such people by approaching chambers of commerce, industry associations and allied organisations in the locations and industry areas selected for sampling and through the project reference group yielded only three such former owners prepared to participate in the study. These were surveyed using the same instrument as other surveyed owners, and added to the 'unsuccessful' category of the sample. (See success indicators below.)

Questionnaire design and trial

The literature review informed the development of a survey instrument which included structured, closed questions and a small number of open-ended questions. Quantitative data from the closed questions gives a picture of the nature and range of training activities of owner/managers and their employees, and allows examination of the relationship between learning and training activities and the indicators of success at a very general level. The quantitative nature of the majority of the survey assumes that all instances of a category of

learning and training are potentially equally valuable to the small business. For example, all the instances of on-the-job training are weighted equally, all courses are assumed to be the same quality, all seminars equally useful and all informal learning equally valuable.

Qualitative research provides an insight into the features of each of the learning and training sources which make them effective for small businesses. Qualitative data from the open-ended questions are appropriate for gathering data about attitudes to various training and learning activities, and the impact of individual training activities on small businesses. Qualitative data can give indications of the factors underlying any broad relationships identified from the quantitative data.

The survey instrument was trialled on several small business owner/operators in the selected industries, but from locations which are not included in the survey. Minor changes were made to the wording and sequence of the questions. Questions relating to the profit or income of the business were dropped following the pilot as all four subjects were reluctant to disclose this information. This is consistent with previous studies of small businesses by researchers who have obtained low response rates to questions about income and profit. The pilot subjects had no objection to disclosing information about changes in business turnover, and this question was retained.

Data collection

The survey asked closed questions about the age and size of the business, the qualifications of its owners and employees and whether the business was experiencing growth and changes in its environment. Questions involving a variety of prompts were asked about the nature and range of learning and training activities of owner/managers and their employees. The interviewer made a decision during the interview about how to classify the response into categories which were the same as the prompts. The interviewer asked the respondent for clarification if necessary, ensuring that the respondents' meanings were captured as accurately as possible. The final two questions provided the interviewee with the opportunity to discuss any topics they would like to learn more about, or comments and suggestions in relation to small business and learning. A copy of the questionnaire as it was asked on the telephone and sent to those who requested a written copy appears as appendix 3.

Responses were entered directly into an Excel spreadsheet as the telephone interviews were conducted, or, in the case of the mailed and faxed surveys, entered into the spreadsheet from hard copy forms. Responses to the open-ended questions during the telephone interviews were recorded to audiotapes which were analysed for themes, along with the written responses from the ten per cent of respondents who chose to respond in writing.

The response rate was approximately 31 per cent. It was higher in the non-metropolitan locations, and lowest in Fairfield (20 per cent). Response rate was similar across all the industries surveyed. The sample is dominated by micro-

businesses employing less than five people, as is Australian small business as a whole (ABS 1998). There was no indication that those who agreed to participate were not representative of the population of small businesses in the four sampled industries in the six locations. It was not possible to obtain the target eight businesses in each industry in all six locations. There were insufficient manufacturing and business and property service small businesses in Emerald, which had suffered an economic downturn since the census data—the basis for which the location was selected. Only one manufacturing and five businesses in the business and property services industry from Emerald are represented in the sample. There are also only six construction businesses from Darwin. In some locations and industries more than eight businesses were surveyed because mailed or faxed questionnaires were slow to be returned, and replacements had been obtained.

The total sample size was 181. The distribution of the sample by industry and location is shown in table 1.

Success indicators

As discussed in chapter 1, indicators of small business success were developed based on a review of the literature (for example, Barrett 1997; Field 1997; Kelmar 1991), the studies considered in chapter 2 and from recent reports on small business, including the Australian Society of Certified Practicing Accountants' survey released in September 1997 (<http://www.cpaonline.com.au/society/fs_society_op6.htm>). This survey suggests indicators of success and failure, such as having or not having a business plan and adequacy of record keeping. Other indicators were based on work on small agricultural business success and training, which found that the ability and willingness to make appropriate changes to farm business management practice was an indicator of profitability (Kilpatrick 1996). Two other, broad indicators are profitability, a traditional economic indicator of success, and the survival of the business over time.

The following elements were considered as indicators of business success:

- survival
- growth (staff numbers, outlets and financial growth)
- financial measures (profit, turnover)
- business environment, including whether or not the business has survived a negative shock
- whether or not the business has met non-financial goals of its owners' business plans

Because of the sample size of 181, and the fact that many factors apart from training and learning impact on business success, three categories of success were considered sufficient. They are labelled successful, neutral and unsuccessful.

Based on the literature, survival was selected as the first criteria for success. To be considered for the 'successful' category, businesses had to have survived at least three years.

A business that had survived for three years but was experiencing negative growth is not as likely to survive as one that is stable or growing in size. The questionnaire collected information on changing business size in terms of turnover, number of employees, and number of outlets over the past three years. There were strong correlations between turnover and staff numbers ($r = 0.60$) and turnover and outlets ($r = 0.44$). The correlation between staff numbers and outlets was lower ($r = 0.30$). Based on this data, and because previous studies tended to use financial measures of business success, turnover was selected as the indicator of growth.

Businesses which had survived at least three years and were experiencing growth (that is, with increasing turnover in the last three years) were placed in the successful category. Eighty businesses met these criteria.

Because some of the literature had indicated that many business owners had non-financial goals that were at least as important as financial goals, those businesses which had survived at least three years, maintained turnover at a steady level and met their owners' non-financial goals were also placed in the successful category. A further 12 businesses met these criteria.

Next, businesses that had survived three years and maintained turnover at a steady level but had not met owners' non-financial goals were considered. Because of the large impact which changes in the internal and external environment can have on small businesses, a negative 'event' may have prevented otherwise successful businesses from meeting our criteria. Those with steady turnover, a negative event, and unmet non-financial goals and which had survived five years or more were deemed successful. Survival for five years rather than three was required in order to be more certain that businesses in this last group would successfully survive the negative event. A further three businesses met these criteria, making a total of 95 'successful' businesses.

'Unsuccessful' businesses had to have been established for at least two years and have reported decreasing turnover. There were 40 businesses in this category.

The remaining businesses were either too new for their success or lack of it to be measurable, or had fluctuating growth indicators. They were neither clearly successful nor clearly unsuccessful. They were placed in the 'neutral' category. There were 46 businesses in this category.

Use of business plans was considered and discarded as an indicator of success because there was no correlation between use of business plans and other indicators of success considered here.

Data analysis

Data were analysed using Excel and Statview computer software programs to generate cross-tabulations, descriptive statistics and bivariate analyses. A draft report addressing the objectives of the project was prepared based on the data analysis. The draft findings and recommendations were circulated to the project reference group for comment.

Preparation of final report and other dissemination products

The project reference group comments were reviewed and incorporated into the final report following a teleconference of the project reference group. Summaries of the report were prepared for policy-makers, trainers and other small business stakeholders.

Limitations of study

Some limitations of the study should be noted. The sample group was represented predominantly by micro-businesses in four industries (retail, construction, property and business services, and manufacturing) and the results therefore are indicative only of this group of small businesses. There is considerable variation in the characteristics of small businesses within each industry sector. For example, the property and business service sector includes cleaning businesses and information technology support businesses; manufacturing ranges from relatively simple technology required for bakeries to 'high tech' metal components firms. This study focussed on the relationship between various methods of learning and training and small business success at a 'macro' level. It did not examine the features of the various types of learning and training which make methods more or less effective. Issues such as assessment and delivery were not considered. The study did not investigate the benefits of learning and training to individual employees of the business, who may transfer skills learnt from one work context to another and to non-work contexts in the wider community.

Characteristics of sample

The sample is approximately evenly distributed between metropolitan and non-metropolitan small businesses, and between the four sampled industries (table 1).

Table 1: Respondents by industry and location

Industry	Location Metropolitan	Non-metropolitan	Total	%
Construction	21	24	45	25
Manufacturing	24	17	41	23
Property and business services	24	21	45	25
Retail	26	24	50	28
Total	**95**	**86**	**181**	
%	52	48		

As already mentioned, the survey sample is dominated by micro-businesses employing up to five people, with one-third having no employees (apart from the owner(s)), 30 per cent only one or two employees and only 17 per cent employing more than five people. Sixteen per cent of the sample had employees aged under 20 and a further 29 per cent had employees aged under 25 (see table A3 in appendix 1).

Almost one-third of the sample had been in business for more than ten years and 15 per cent for less than three years (see table A4). About 30 per cent of the small businesses were run by single operators, and over half by two partners (see table A5). Ninety-nine respondents, or just over half the sample, indicated the small business was a family business. Seventy-four per cent of businesses reported that the partners included women.

Tables A6 and A7 show the gender of the survey respondents, numbers of owners and managers interviewed and family members working in the business.

The responses to questions about the outcomes for the business, and changes in its internal and external environments, goals of the owners and use of business plans appear in tables A8 to A11. These responses were used to categorise the small businesses into success indicator categories. Ninety-five businesses (52 per cent) were categorised as successful, 40 (22 per cent) as unsuccessful and 46 (25 per cent) as neutral. Table A12 shows the structural characteristics of the businesses in each success category.

4 Nature and range of learning activities

This chapter describes the training and learning activities of the sample small businesses using the following categories:

- formal courses
- on-the-job training
- business-related meetings and seminars
- consultants and mentors
- informal learning sources

The chapter concludes with a discussion of the activities which businesses have planned for the subsequent 12-month period.

Formal courses

Of almost one-third of the sample, at least one person from the business had attended a formal education or training course in the preceding 12 months. Those in non-metropolitan locations were slightly more likely to have participated in courses, largely because of the greater participation of construction businesses in non-metropolitan areas. There was no other significant difference in the pattern of attendance by industry (see table A13) nor the geographic area where the business was located, the age of the business, number of partners, whether it was a family business nor presence of women partners (see tables A14 to A18). Those small businesses with younger employees were more likely to have had someone attend a course (see figure 1 and table A19), and those with employees were slightly more likely to have participated in relevant education or training courses than those with no employees (see table A20). Consistent with studies which have found that lack of confidence and familiarity with training and training settings is a barrier to participation (see NCVER 1998), small businesses with no partner or employee with post-school qualifications were slightly less likely to have attended a formal course (table A22).

Employees of businesses were more likely to have attended a course than owner/managers (figure 2).

The largest group of courses attended were technical/production-related vocational education and training courses (47 per cent), see table A21. A total of 29 per cent of the courses were non-accredited courses provided by adult education or other providers. These included MYOB (Minding Your Own Business), computer training and industry or supplier-provided courses; for example, for builders or white goods retailers. Businesses in the property

services industry were most likely to have participated in a technical/production-related vocational education and training course (see table A23), perhaps because areas of this industry, such as real estate, require relevant qualifications.

Figure 1: Course attendance by businesses with employees aged under 25 years

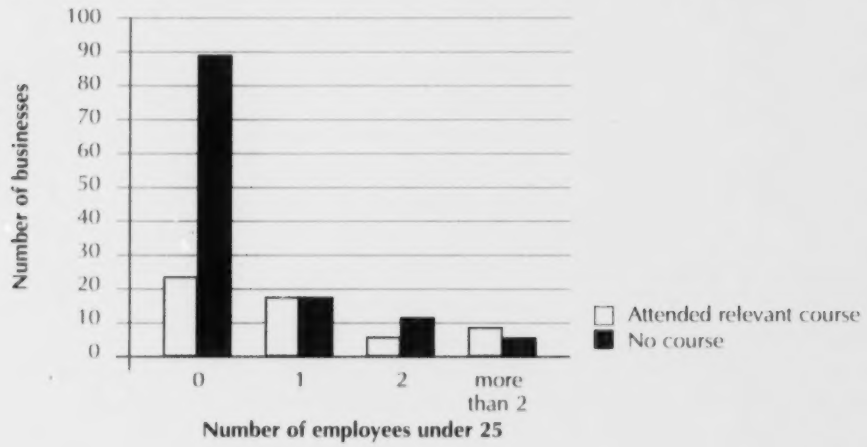
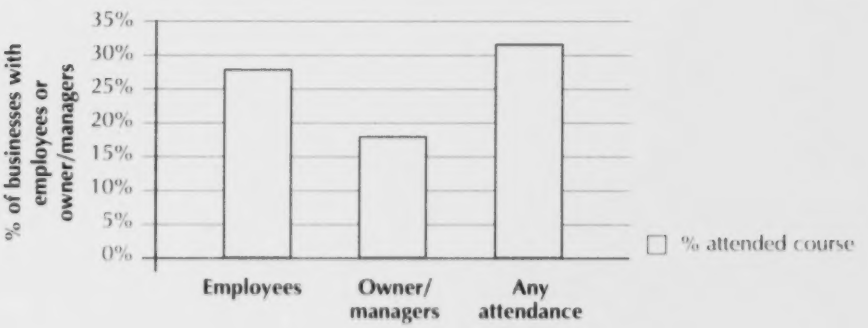


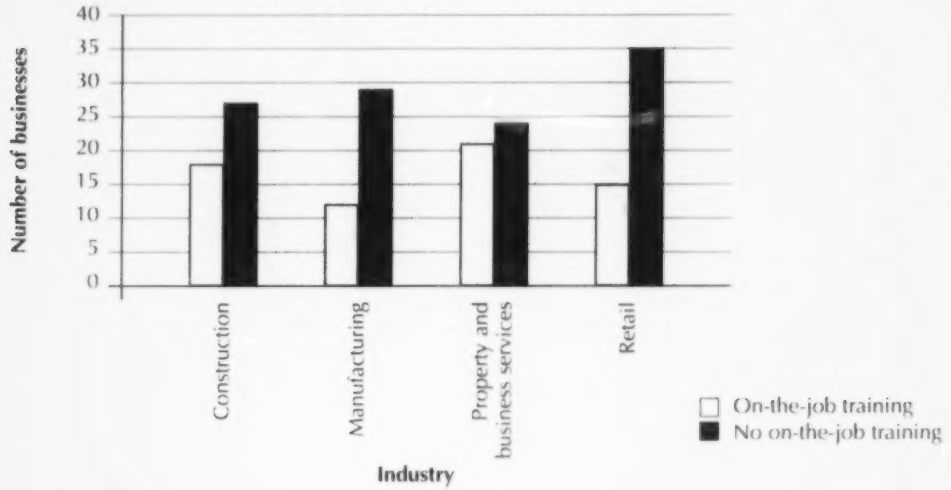
Figure 2: Course attendance by owner/managers and employees



On-the-job training

Just over one-third of the sample had undertaken some on-the-job training. There were no significant differences in overall participation according to industry or metropolitan/non-metropolitan location (tables A24 and A25); however, those small businesses located in Emerald were most likely to have used on-the-job training, while those from Fairfield were least likely (table A26). On-the-job training was used to learn technical/production skills more often than management or management-related skills. Those in the construction and property services industries were more likely to have undertaken some on-the-job training in the technical aspects of the business (see figure 3 and table A27).

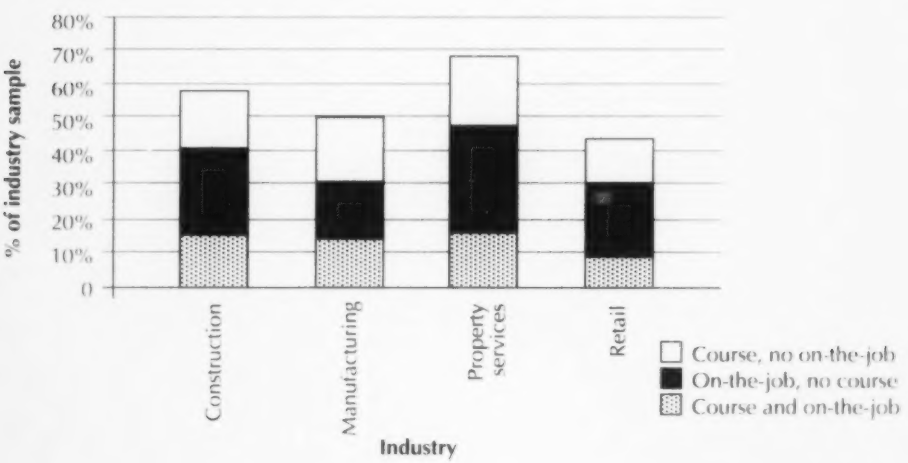
Figure 3: Participation in on-the-job training by industry



There was no significant difference in on-the-job training participation according to age of the business, number of partners, whether it was a family business, the presence of women as partners nor highest qualification levels (see tables A28 to A32). The likelihood that the small business had participated in on-the-job training tended to increase with the number of employees and the number of employees under 25 years of age (table A33).

When both courses and on-the-job training participation are considered, businesses in the property services industry tended to train more than other industries, while those in retail and manufacturing were least likely to train by either on-the-job training or courses (figure 4 and table A35).

Figure 4: On-the-job training and course attendance by industry

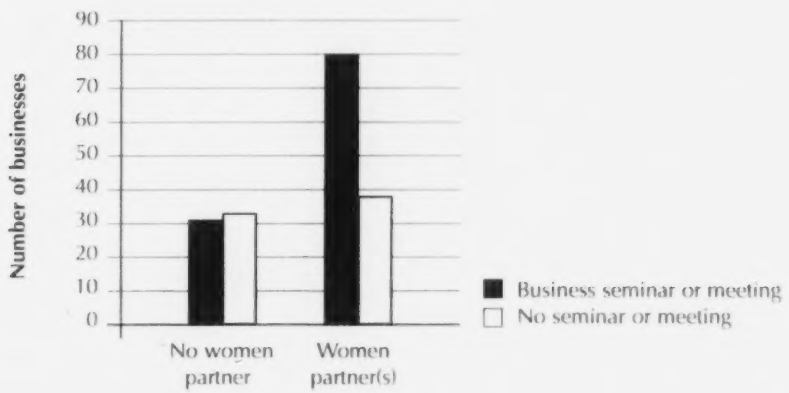


Business-related meetings and seminars

Attendance at business meetings and seminars was more common than either participation in courses or on-the-job training, with 61 per cent of all those surveyed reporting attending at least one such event in the last 12 months. Most seminars and meetings involved learning about management and management-related issues, except for manufacturing business who attended more technical or production-related seminars (table A36). This general finding contrasts with on-the-job training and courses which small businesses tended to use for learning about technical/production matters.

Retail businesses were most likely to attend seminars or meetings, and manufacturing businesses least likely (table A37). This finding contrasts with courses and on-the-job training, where retail businesses had the lowest participation. Construction businesses were least likely to attend technical/production seminars. These findings reflect the topics of the seminars on offer to these industries. Small businesses with women partners were more likely to have attended business meetings or seminars (figure 5 and table A38). Businesses in Burnie/Wynyard and Emerald were the most likely to have attended (table A39); however, the difference in seminar and meeting attendance between metropolitan and non-metropolitan businesses is not statistically significant (table A39), neither is the difference according to number of employees, partners, whether it is a family business and qualification levels of those involved in the business (see tables A40 to A43).

Figure 5: Business seminar and meeting attendance by presence of women partners



Consultants and mentors

More than 30 per cent of the small businesses surveyed had used a consultant or mentor for one-on-one learning in the past 12 months. The proportion of small businesses in the four industries using consultants and mentors was not statistically significantly different (table A44). Small businesses with more than two partners were slightly more likely to have used a consultant or mentor (table A45). There was no difference in the pattern of use according to location, employee numbers, years in business, qualifications or other business structure factors (see tables A46 to A52).

Informal learning sources

Almost all those surveyed had gained knowledge or skills from at least one informal learning source (see table A53). Suppliers were the most frequently cited source, especially for learning about technical or production-related issues. The media (print and electronic), those working in the business, family and social contacts, and professionals such as accountants and lawyers were all used by around half or more of the small businesses surveyed. Professionals, family and social contacts and media were the learning sources most often mentioned for gaining management and marketing knowledge and skills.

Businesses in the manufacturing industry were least likely to learn from media, while construction and property services businesses were most likely to use media to learn about technical/production matters (table A54).

Respondents were encouraged to nominate the three or more informal learning sources from the list of those used by the business and which they considered to be useful. Only 16 per cent nominated print or electronic media as useful, with those in the construction and property services industries most likely to give this response (table A55).

Informal learning sources (other than media) were found to be useful by 82 per cent of the sample, with learning from 'within industry' sources the most frequently cited (see table A55). These 'within industry' sources included franchisers, suppliers and trade associations. Almost a quarter nominated learning for the business from family, friends and other social contacts as useful, while 27 per cent considered learning from external sources such as accountants, lawyers, chambers of commerce, and business development centres to be useful.

More small businesses in the construction industry accessed useful 'within industry' sources than did those in the other three industries. Businesses with women partners were also more likely to find 'within industry' sources useful. Suppliers were the most frequently cited useful 'within industry' learning source, especially for learning about technical topics.

Younger businesses were more likely to say that customers and people working in the business were useful learning sources, while those with vocational qualifications were the most likely to cite family and social contacts (see table A56).

Summary of sources used for learning technical and management knowledge and skills

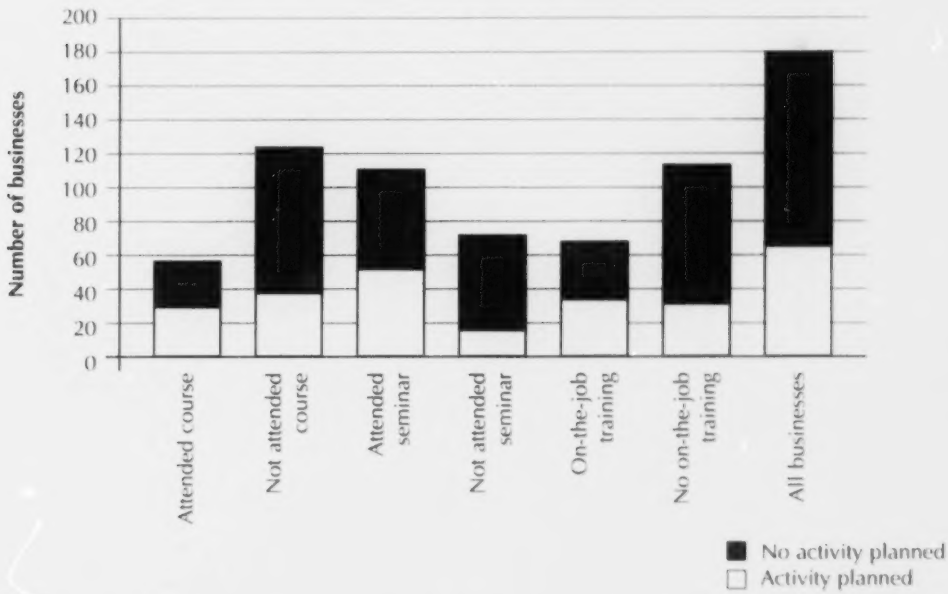
Table A23, table A27, table A36 and table A54 show that all types of learning and training sources were used to acquire both technical and management knowledge and skills. VET courses, on-the-job training and informal learning from suppliers were used most often for technical learning. Seminars and meetings and those external to the industry were more often a source of learning about management.

Planned learning activities

Over one-third of those surveyed had planned training or other learning activities for the partners and/or employees in the next 12 months. On-the-job training and business-related seminars or meetings were mentioned most often (table A56).

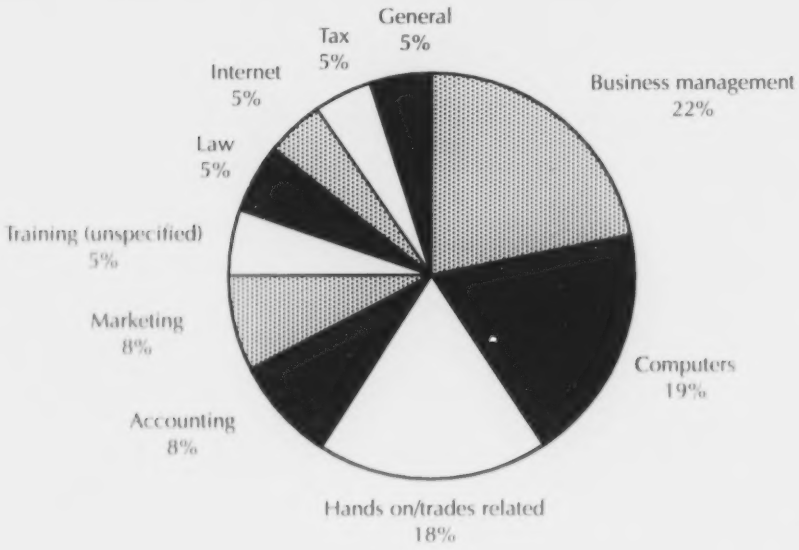
Those businesses which had participated in courses, on-the-job training or seminars and meetings were more likely to have planned further learning activities for the next 12 months (figure 6 and table A57). Those with more employees were also more likely to plan learning activities (table A58). No other characteristic made a significant difference to whether learning activities were planned (see table A59).

Figure 6: Learning activities in past 12 months and planned learning activities



Responses to the open-ended question about topics that the business wanted to learn more about show that many respondents desired further training in business management (managing people, the business, promotion, money and accounts). Nearly one-fifth wanted to learn more about computers, with some expressing a particular interest in knowing more about the internet which was seen as a valuable tool which could assist the business. Almost one-fifth of those businesses who responded also expressed a desire to develop or extend their skills in areas relating to the technical aspects of the business. Several expressed a desire to learn more about the legal and tax aspects of running a business and government employment regulations (see figure 7).

Figure 7: Topics for further learning—Is there a topic you would like to know more about?



Note: n= 131 responses from 107 businesses

Summary

Around half the sample businesses had partners and/or employees with VET qualifications as their highest qualification, and another one-fifth to a quarter had partners and/or employees with university qualifications.

The most common way for the owners to learn when they started in their new business was through experience or trial and error. Over half worked in this business before taking it over, or had worked in a related business. One-third of owners did a course at the time of starting in the business.

Of almost one-third of the sample, at least one person from the business had attended a relevant formal education or training course (not necessarily a course leading to an accredited qualification) in the preceding 12 months. Employees were more likely to attend courses than owner/managers. Businesses with employees under 25 years were more likely to have participated in relevant courses, and to have undertaken some on-the-job training. Small businesses with employees, especially younger employees, were more likely to have participated in courses and on-the-job training; 70 per cent of the small businesses employing people under 25 had participants in courses and/or on-the-job training. Businesses with employees or partners with post-school qualifications were most likely to have participated in a course. More than 30 per cent of businesses had used a consultant or mentor.

Non-metropolitan businesses in the sample were slightly more likely to have attended a course, with most of the difference between metropolitan and non-metropolitan areas due to the higher attendance rate of construction businesses. The largest group of courses attended were technical/production-related VET

courses. Over one-third of the sample had undertaken some on-the-job training. When both courses and on-the-job training participation are considered, businesses in the property services industry tended to train more than other industries, while those in retail and manufacturing were least likely to train by either on-the-job training or courses (figure 4 and table A35). There were no significant differences in overall participation according to metropolitan/non-metropolitan location.

Attendance at business meetings and seminars was more common than either participation in courses or on-the-job training, with over 60 per cent attending a seminar or meeting in the last 12 months. This could reflect a preference for short, single sessions as opposed to the longer duration of courses. It is also consistent with easily accessible timing and location for the seminars and meetings, and effective marketing to the target group. In contrast to course attendance and on-the-job training, more seminars and meetings involved learning about management and management-related issues than technical or production issues. This may reflect the seminar topics available.

Those businesses which had participated in courses, seminars and meetings or on-the-job training were more likely to have planned learning activities for the next 12 months, as were those with more employees. Over one-third of those surveyed planned training or other learning. On-the-job training and business-related seminars or meetings were mentioned most often.

Almost all those surveyed had gained knowledge or skills from at least one informal learning source. Suppliers were the most frequently cited source, especially for learning about technical or production-related issues. The media (print and electronic), colleagues working in the business, family and social contacts, and professionals such as accountants and lawyers, were all used by around half or more of the small businesses surveyed. Younger businesses were more likely to say that customers and people working in the business were useful learning sources.

All types of learning and training sources were used to acquire both technical and management knowledge and skills. Vocational education and training courses, on-the-job training and informal learning from suppliers were used most often for technical learning, while seminars and meetings and those external to the industry were more often a source of learning about management issues.

5 Learning and success

This chapter begins with a discussion of the relationship between the structural characteristics of the business and the success indicator categories. The relationship between the learning sources accessed by the owners before and at the time of starting in the business and success is examined. Finally, the relationship between current training and learning activities and business success is considered.

Business structure and success

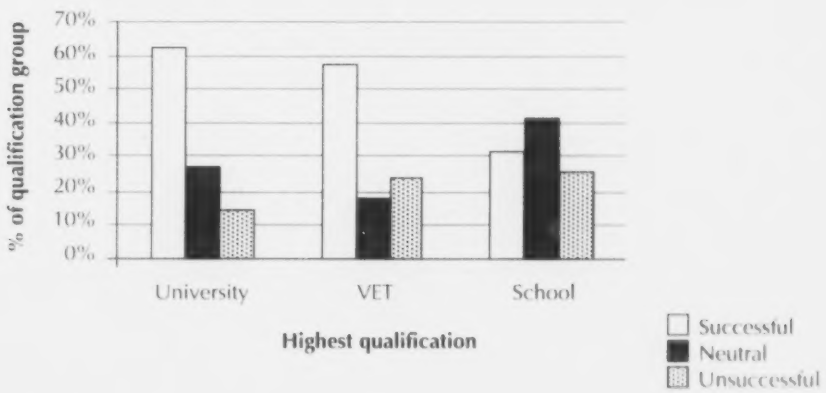
Before considering participation in education, training and other learning activities and its relationship to success, it is useful to understand how other characteristics of the sample are correlated with the success indicator categories described in chapter 3.

Successful businesses tended to have been in operation for between three and ten years (note that businesses less than three years old were excluded from this category by definition), have some employees in addition to the owners, have two partners, have women partner(s) and be family businesses (see table A12).

Businesses which had been in operation for more than ten years, had more than two partners and had no employees were more likely to be in the unsuccessful category.

Past participation in learning activities

Figure 8: Highest qualifications of employees and partners and business success



Qualifications

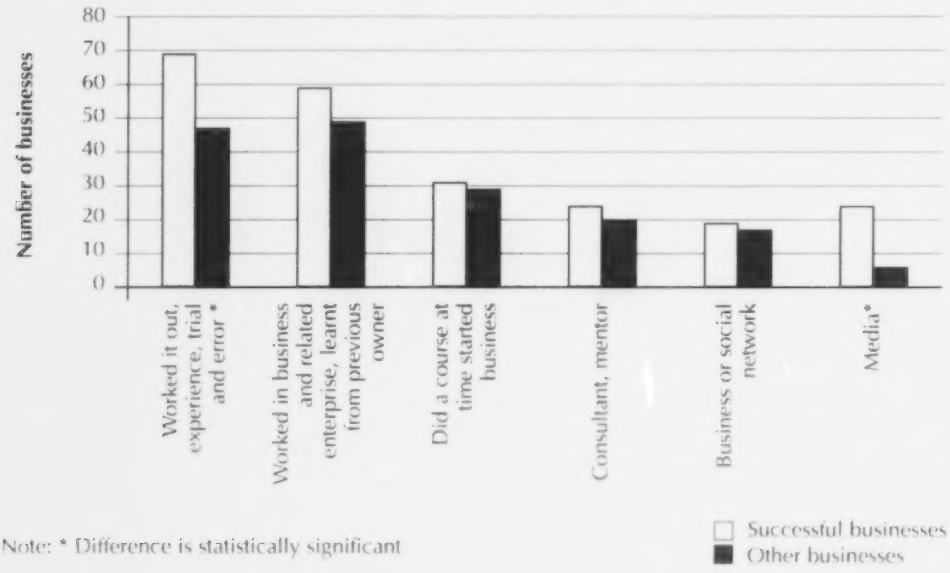
Those with partners and/or employees with university or VET qualifications are more likely to be in the successful category than small businesses with only school qualifications (see figure 8 and table A60).

Learning at time partner(s) started business

The most common way the partners learnt about their new business was through experience or trial and error. Over half worked in the business before taking it over, or had worked in a related business. One-third did a course (either on small businesses or the technical/production aspects of the business). Advisers or mentors were used as a learning source by nearly a quarter of those surveyed (figure 9 and table A61).

Successful business owners were no more likely to have attended a course at the time they started in the businesses than owners of other businesses. However, successful business owners were more likely to have learnt from print or electronic media (typically magazines and books) and learnt from experience or trial and error after they started or took over the business (figure 9 and table A61).

Figure 9: Learning sources at time started business and business success



Note: * Difference is statistically significant

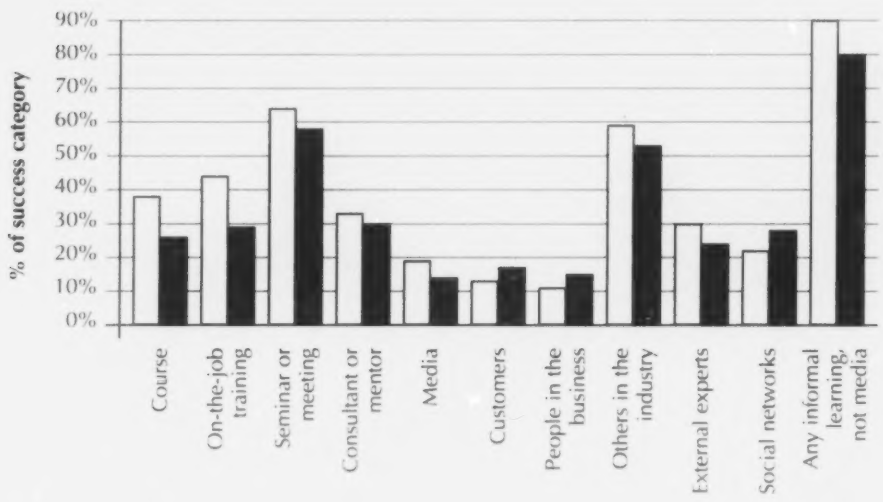
Current participation in learning activities

Current participation in training and learning activities was more common among businesses where partners or employees had VET or university qualifications (see chapter 4 and table A63). This is true for participation in courses and learning from consultants or mentors. Those businesses with workers with university qualifications are also more likely to learn on the job

and from seminars. As partners and employees with post-school qualifications are more likely to be associated with successful businesses, there appears to be a relationship between business success, qualifications of owners and employees and ongoing engagement with learning. The size of the sample is too small to confirm this relationship statistically.

All businesses made extensive use of informal learning sources. There are few statistical relationships between business success and recent participation in training or use of informal learning sources. Those businesses that participated in on-the-job training were more likely to be successful than those that did not (see figure 10). Informal learning is used by a large proportion of both successful and other businesses. Businesses which were neither clearly successful nor unsuccessful were less likely to learn from sources external to the industry and social networks. This neutral group used fewer different sources on average than the other groups (see table A62).

Figure 10: Recent learning sources and business success



Note: Only on-the-job training is statistically significantly different

The size of the sample was too small to show any significant relationships between success and past or current learning behaviour for businesses in particular industries.

Summary

The findings support the existence of a link between prior education and training, measured by highest qualification levels of those working in the business, and the success of the small business, but findings do not confirm a link between taking a course at the time of going into a small business and business success.

There is evidence that contextualised learning at work is related to success. Having the owner learning by trial and error and experience in the business at the time of starting the business is related to success, as is subsequent contextualised training in the form of on-the-job training.

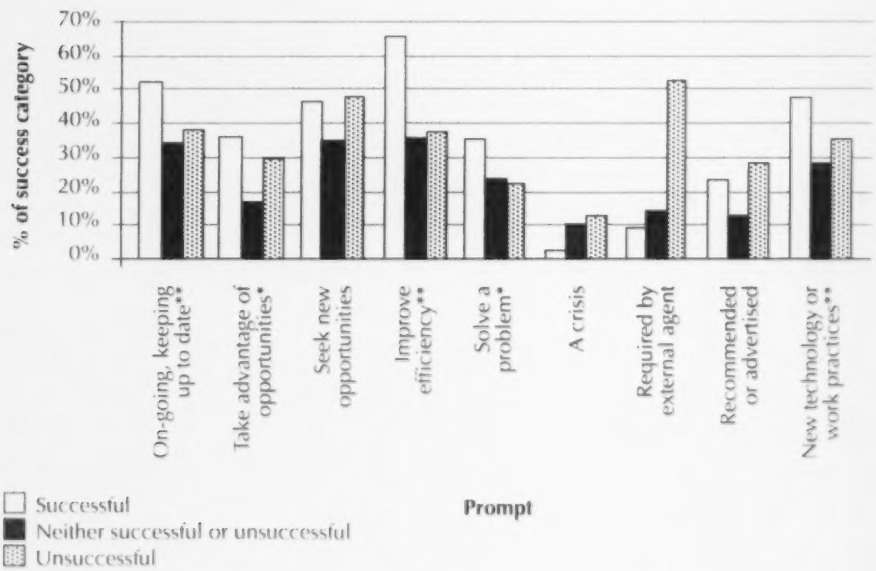
Informal learning is heavily used by both successful and other businesses. While informal learning from media at the time of starting in the business was correlated with success, later informal learning was not.

6 How small businesses decide to improve their knowledge and skills

Prompts for learning

In this chapter the motivations behind the learning and training behaviour reported in chapters 4 and 5 are examined. Interviewees were asked to recall what had prompted members of the business to train or learn for each type of learning and training activity in which the business had participated. They were also asked why, after a learning need had been identified, they chose a particular training or learning activity, rather than some other activity. The prompts for learning and training for successful and other businesses are shown in figure 11 and table A65.

Figure 11: Prompts for undertaking learning activities by business success



Note: * Significant at 10% level, ** significant at 5% level

A general desire to improve the efficiency, and therefore profitability, of the business was the most frequently given prompt for training or learning, followed by the desire for new opportunities, the introduction of new technology or work practices and ongoing staff or management training or learning. Those planning learning and training activities in the future gave similar prompts.

Successful businesses were more likely than other businesses to be prompted to learn or train by a desire either to improve efficiency or to adopt new technology or work practices. Successful businesses were also more likely to make use of ongoing learning or training, particularly as a means of keeping up to date. They were slightly more likely to learn or train to take advantage of an opportunity or to solve a problem (see table A65).

Unsuccessful businesses were most likely to be prompted to learn by the requirements of an external agent (table A65). They were more likely than those in the 'neither successful nor unsuccessful' category (which includes those too new to determine their success) to be prompted to train by all the prompts listed in figure 11 except to solve a problem. The difference is greatest for the categories 'taking advantage of a new opportunity' and 'recommendations or advertising'. Unsuccessful and successful businesses were equally likely to be prompted to learn or train by a desire to seek new opportunities. It's possible that unsuccessful businesses are actively looking for a way to move out of the business or make substantial changes to improve chances of survival. Successful businesses have already identified opportunities and are prompted to learn to take advantage of the opportunity.

Reasons for selecting particular activities

Attendance at seminars and meetings was most frequently prompted by looking for new opportunities. Mentors and consultants were used most often in learning to solve a specific problem. Almost half of those who had attended a course did so because they were required to do so by law, an award, customer or supplier (table A64). The small number of businesses prompted to undertake learning activities for other reasons gave reasons related to a desire to participate in the community, or maintaining goodwill with suppliers.

Table A64 shows prompts for specific types of learning activities. Table A66 shows the information in table A64 broken down for successful and other businesses. The reasons for choosing the particular activity appear in table A68.

Compared to others, successful businesses were more likely to choose courses when prompted by:

- a desire to improve efficiency
- the requirements of new technology or work practices
- the need for ongoing training or as a means of keeping up to date

Successful businesses were more likely than others to choose on-the-job training in order to:

- take advantage of an opportunity
- improve efficiency
- solve a problem
- implement new technology or work practices
- fulfil the requirements of an external agent

Mentors or consultants were used as an ongoing learning source by successful businesses more than other businesses (see table A66).

The most frequent reason for choosing a training or learning source was that it provided learning that was relevant to the business, followed by a perception that it was a good way to learn, and lastly, convenience of the location or time of the activity. Almost one-quarter chose a training or learning source because there was no alternative method of learning about the topic (table A68). There was no significant difference in the reasons for choice of activity given by successful businesses by comparison with other businesses.

There are some significant differences in the reasons given by successful and other businesses for choosing learning and training activities. Successful businesses are more likely to choose on-the-job training because it is relevant to the business; particular courses are chosen because of their convenience of timing or location; and finally, learning and training activities are chosen because they are perceived to be a good way to learn about the topic. When a mentor or consultant is used it is generally because they provide learning which is relevant to the business (see table A69).

Significant events impacting on the business and learning activities

The development of success indicators assumed that negative 'shocks' such as loss of a major customer or significant new competition would tend to reduce a business's financial performance. It is worth examining whether such negative 'shocks' have any effect on a business's learning behaviour. Alternatively, do positive 'shocks', such as a significant new customer, impact on learning behaviour?

Businesses experiencing events which had exerted significant impacts on the business (either positive or negative) were more likely to have participated in learning activities—especially in courses, in on-the-job training and have interacted with consultants or mentors (see table A67). This applies particularly to businesses experiencing events with a positive impact, confirming a relationship between being proactive in using learning to take advantage of new opportunities or adopting new technology or work practices, and business success.

Factors which encourage and inhibit participation in learning activities

A summary of responses to the final open-ended question 'is there anything else you would like to add' appears in table 2. The factors are discussed following the table.

Table 2: Additional comments made by businesses

Comment	Number of responses
Need for relevant or flexible training in the workplace	14
Location of training too far away	11
Too expensive	9
Not enough time to train	8
Training is worth investing time or money	8
Existing courses are inadequate	7
Prefer self-directed learning or experience	5
Hard to find the right training	5
Hard to find replacement workers, so lose production or earnings while away for training	4
External factors are so important to the success of the business, training makes no difference	4
Training should be compulsory before going into small business	4
Hard to get skilled staff	4
No need to train, unqualified staff perform as well as qualified staff	2
Franchise training is good	1
Want to learn by networking with other small businesses	1
Too much red tape surrounding training	1
Number of responses	**88**
Number of businesses responding to open-ended question	**78**

A preference for business-relevant training

The largest group of responses to the final question asking for any other comments (14) expressed a preference for relevant and/or on-the-job training. This is consistent with the finding that the most frequent reason for choosing a training or learning source was because it was relevant to the business. Several owner/managers said they would like a trainer to come to the business or at least have the training tailored to the particular needs of the business. These people appeared not to be aware that the national training system allows for such customisation of training to occur.

Location

Convenience of the location or time of the activity ranked highly as a reason for choosing it. The importance of location is borne out by the next largest group (11) of responses to the final question who noted that the suitable training was not available in a convenient location. Businesses in Darwin and the three non-metropolitan locations comprised most of this group, but it was also mentioned by a business in Fairfield.

Cost

Nine business owner/managers said that the cost of training was too expensive or training was not value for money. Darwin businesses pointed out that for them to attend training interstate meant they not only bore the cost of the training, but also accommodation and travel expenses and suffered loss of income while away from the job. The issues of travel costs and loss of income while training was also mentioned by businesses in non-metropolitan regions.

Attitudes to learning and training

In relation to the general comments on formalised training, and/or to learning, those such as 'training worth the time and money' suggest a positive attitude, as do those suggesting all people going into small business should do some sort of structured learning. For example, a retail business owner commented: 'It is quite clear that the benefits are there if you put resources into training'. A self-declared failed business recommended all 'new small businesses should undergo some sort of screening... to make sure they know exactly what costs/commitments etc they're in for, and for ongoing personal support' (construction small business). In total, 17 per cent of the 78 businesses which made comments could be said to hold a positive attitude to training.

Other comments suggested a negative attitude towards formal training. Some regarded the quality of the training available as poor: 'the education system is too far behind—not practical. Most training currently available is a waste of time' (property and business services industry). Many negative comments related to the value of training, and the cost of time off the job: 'The cost factor—profit margins are small. Government assistance would be good. [Employees and self] are not earning money when away from the job' (construction business owner). Taking negative comments about the quality and value of training, together with those stressing the 'red tape' in the system, and the relative unimportance of training compared to other factors impacting on the business, 29 per cent of those responding expressed negative attitudes to formalised training. A further five people expressed a preference for informal, self-directed learning and learning from experience as the following remark indicates: 'Life mistakes and experience are the best learning/training devices there are when time and commitments allow for no others' (retail business owner).

Other factors affecting participation

Many of the remaining comments related to time or lack of affordable skilled replacement workers. These people did not necessarily have a negative attitude to training, they just did not give it as high a priority as other tasks in the business: 'I would like to organise the business better, do more management, but there is no time' (manufacturing small business). Five businesses said they did not have time to identify suitable training. One suggested a training advisor: 'there's a lot involved in finding the right program. I haven't time to do a search. An advisory board would be an advantage' (construction business).

Many of the factors that affect the success of the business are perceived to be outside the control of owner/managers. Concern about these external issues means that learning/training is given a low priority because the opportunity to reap returns from training is conditional on many external factors: 'You can be perfectly set up and someone else can come along and take all your work away' (manufacturing business owner). However, other businesses in the sample had diversified in the face of external threats, such as the electrician who adapted to the recession of the early 1990s by diversifying into security systems, a change that required learning to adapt to the demands of the new product.

The role of government

Many businesses expressed concern over a lack of government protection in the face of changes in the external environment. Some of the comments to the final question related to a role for government in supporting training for small business. Three businesses wanted some kind of government-mandated registration, related to qualifications or training (for example, for painters), in order to signal the quality of the business to the market. Two of those suggesting training programs for people going into small business said such programs should be made mandatory. Three businesses (two in the construction industry and one retail business) wanted government to subsidise the cost of training.

Missed opportunities

Just over half of those surveyed (54 per cent) were able to identify a course or seminar which they would have liked to have attended in the past 12 months but were unable to attend. There was no significant difference in the proportion of successful businesses missing courses or seminars compared to the proportion of other businesses (see table A70). The major inhibitors to attendance at courses or seminars (where a desire to attend had been expressed) were overall business commitments, inconvenient timing and location and cost (see table A71). All of these factors were mentioned by more than 30 per cent of those surveyed.

Summary

Prompts for learning and training

A general desire to improve the efficiency of the business was the most frequently given prompt for training or learning, followed by looking for new opportunities, the introduction of new technology or work practices and ongoing staff or management training or learning.

Small businesses use different learning and training sources for different needs. Attendance at seminars and meetings was most frequently prompted by a desire for new opportunities. Mentors and consultants were used most often in learning to solve a specific problem. Almost half of those who had attended a course did so because they were required to do so by an external agent.

Successful businesses were more likely to be prompted to learn or train, including to take courses and on-the-job training, by a desire to improve efficiency or to adopt new technology or work practices. Successful businesses were more likely to make use of ongoing learning or training and as a means of keeping up to date. Businesses which were unsuccessful were more likely than other businesses to be prompted to train by the requirements of an external agent and recommendations or advertising.

Businesses experiencing events which had impacted significantly on the business, especially in a positive way, were more likely to have participated in learning activities. This confirms a relationship between being proactive in using learning to take advantage of new opportunities or adopting new technology or work practices and business success.

Attitudes to learning and training

Small businesses have mixed attitudes to formal training. Some see benefits and are active participants. Another group is not averse to training but is busy working in the business. These people do not give training a high enough priority to find out what is available, or to take themselves or their staff away from the job. A third group of perhaps 30 per cent of businesses expressed negative attitudes to training, mainly because of a perception of poor quality and low relevance or high cost.

Relevant and flexible learning and training

There is a substantial demand for training that is relevant and flexible, and preferably available on the job. The finding that almost one-quarter of the sample chose a training or learning source because there was no alternative method of learning about the topic should be considered alongside these comments. There appears to be room for improvement in developing and publicising flexible learning and training activities which are both relevant and adaptable to the needs of individual small businesses.

7 Conclusions and recommendations

Conclusions

Nature and range of learning and training activities

At least one person from about one-third of the businesses surveyed had attended a relevant education or training course in the preceding 12 months (see table A22). The extent of course attendance by small businesses in this study appears to be slightly higher than the ABS *Survey of training and expenditure* quoted in Baker and Wooden (1995), although the data are not directly comparable because the ABS survey responses from small businesses tend to concentrate on accredited training (Field 1997).

Almost half of those who attended a course did so because of the requirements of an external agent. This is consistent with Coopers and Lybrand's (1994) finding that reactive prompts for training were common. Businesses with employees or partners with post-school qualifications were most likely to have participated in a course (see table A63). Further, those that had participated in courses, on-the-job training or seminars and meetings were more likely to have planned learning activities for the next 12 months (see figure 6). Greater participation in training by those with experience of post-school education is consistent with studies which have found that lack of confidence and familiarity with training and training settings is a barrier to participation (see NCVER 1998).

Small businesses with younger employees were more likely to participate in courses and on-the-job training: 70 per cent of the small businesses employing people under 25 had participants in courses and/or on-the-job training (table A34). This finding supports policy goals for the education and training of the youth workforce as a whole.

Attendance at business meetings and seminars was more common than either participation in courses or on-the-job training (see table A63). This could reflect a preference for short, single sessions as opposed to the longer duration of courses. It is also consistent with the desire by businesses for more appropriate timing and location for the seminars and meetings and the need for more effective marketing. In contrast to course attendance and on-the-job training, the more of the seminars and meetings attended related to management and management-related issues than related to technical or production issues.

Informal learning sources were found to be useful by 82 per cent of the sample. Suppliers were the most frequently cited source, especially for learning about technical or production-related issues (see table A53).

Learning and training and success

The findings support the existence of a link between prior education and training, measured by highest qualification levels of those working in the business, and the success of the small business (see figure 8), but this finding does not confirm a link between taking a course at the time of going into a small business and success (see figure 9). Small businesses with partners or employees with post-school qualifications were more likely to engage in ongoing learning activities, especially courses and learning from consultants and mentors, suggesting a relationship between an orientation to training and learning and success (see table A63).

There are at least two possible explanations for the apparent link between qualified personnel, participation in structured learning activities and business success. It could be that the small business managers whose natural attributes make them good managers are the same people who enjoy formal education and training, and therefore gain post-school qualifications. This explanation assumes that management cannot be 'taught' or 'learnt' (directly or indirectly) through education and training, a position strongly refuted by the Karpin report into management education in Australia (Industry Taskforce on Leadership and Management Skills 1995).

A further explanation for the apparent link can be deduced from the literature reviewed in chapter 2. This literature reported that better-educated managers are more skilled at selecting between competing uses for their resources (Welch 1970), which would include use of resources for training. They are also aware of a greater number of innovations because of contact with the mass media and interactions with expert advisers (Rogers 1995), which would suggest that better-educated managers are aware of a wider range of training and learning options. Combining these findings, it would appear that better-educated managers are more easily able to select quality, appropriate training from that available. If this is the case, then the learning activities selected by better-educated managers are more likely to be effective and contribute to the success of the business.

The scope of this project did not include assessment of the quality and appropriateness of the individual learning and training activities undertaken by the sample businesses. Future research should investigate this aspect of the relationship between learning and training and business success. However, if there is a link between business success and education and training, as measured by qualifications, there is also a case for investment in education and training.

There is evidence that contextualised learning at work is related to success. Having the owner learning by trial and error and experience in the business at

the time of starting the business is related to success (see figure 9), as is subsequent, contextualised training in the form of on-the-job training (see figure 10). No other category of ongoing learning activity is used more (or less) by successful businesses.

All businesses are heavy users of informal learning, whether successful or not (see figure 10).

Motivations for improving knowledge and skills

Successful businesses were more likely to be prompted to learn or train by a desire either to improve efficiency or to enable the adoption of new technology or work practices. Successful businesses were also more likely to use ongoing learning or training, particularly as a means of keeping up to date. In contrast, businesses which were unsuccessful were more likely to be prompted to train by the requirements of an external agent and recommendations or advertising (see figure 11).

The evidence that small businesses use different forms of learning and training for different purposes (see table A64) supports the suggestion that being able to select appropriate forms of learning and training for business needs could influence business success.

As discussed above, businesses with qualified managers and/or employees are more likely to have a training or learning orientation. Drawing on the literature reviewed in chapter 2, it may be deduced that these managers are likely to be aware of a greater number of ways of doing things and are therefore in a better position to allocate their resources to implement new practices successfully (Rogers 1995; Sloan 1994; Welch 1970). It is probable that managers who have accessed formal training at some stage (either before or after joining the business, or through their employees) are more likely to use planned learning and training activities as a strategy for achieving success. Further, better-educated managers will tend to choose a particular learning and training activity as part of their strategy only if it is an effective way of achieving their purpose.

Businesses experiencing events which had exerted significant impacts on the business were more likely to have participated in learning activities (see table A67). This applies particularly to businesses experiencing events with a positive impact, confirming a relationship between being proactive in using learning to take advantage of new opportunities or adopting new technology or work practices and business success.

Design of learning and training for small business

Formal education and training that leads to recognised, accredited qualifications was found to be related to business success and to a tendency to undertaking ongoing planned learning and training. Businesses with owners/managers and/or employees with post-school qualifications are more likely to have a

learning culture. It is difficult to separate out the effect of coming to the business already possessing post-school qualifications from that of subsequent formal training leading to a qualification. The findings from this project do not prove a relationship between recent participation in courses and business success. However, there is a general case for investment in formal education and training for small business owners and employees.

Attitudes to formal training among small businesses are mixed. Some see benefits and are active participants. Another group is not averse to training but is busy working in the business. These people do not give training a high enough priority to determine what is available, or to take themselves or their staff away from the job. A third group of businesses expressed negative attitudes to training, mainly because of a perception of poor quality and low relevance, or high cost (see table 2). This group typifies the lack of awareness of changes in training and the 'fortress enterprise' mentality identified by Curran et al. (1993).

The findings presented in chapter 6 show that businesses have a preference for learning and training activities that are directly relevant to the business, particularly on-the-job activities. The literature reviewed in chapter 2 confirms a widely observed preference among small businesses for contextualised learning (A Gibb 1997; Taylor 1997; Field 1997; Kirkwood 1996; Kilpatrick 1996; Catts et al. 1996; Robertson & Stuart 1996; Coopers & Lybrand 1994). When the finding that successful businesses are more likely to have participated in on-the-job training is also considered, there is clearly justification for investment in on-the-job training. As on-the-job training appears to be related to business success, there is an argument that small businesses should contribute to the investment; that is, pay some or all of the cost of on-the-job training. Taking into account the relationship between post-school qualifications and business success, accredited training which includes an on-the-job component should be the preferred investment.

The identified and substantial demand for relevant and flexible training, and preferably conducted on the job requires a matching supply of training. The finding that almost one-quarter of the sample chose a training or learning source because there was no alternative method of learning about the topic suggests this supply may not exist, or may not be readily accessible. There appears to be room for improvement in developing and publicising flexible learning and training activities that are relevant and adaptable to the needs of individual small businesses.

Informal learning methods were popular and used by most businesses. Informal learning from suppliers, customers, professionals and others is easy to apply to individual situations. The 'learning source' can readily be made aware of the small business's individual situation, and the knowledge or skills which could be useful to the learner. The learning source generally is able to adapt the 'learning process' (conversation or demonstration) in response to signals or questions from the learner. Those providers using more structured approaches to training should take care in assessing learning needs and be flexible in adapting training to individual businesses, in order to more closely resemble informal learning.

Easy access to relevant learning and training for small business is a challenge for the Australian training system, which is currently investigating ways of involving the diverse small business sector. Interventions in informal learning and non-accredited training are left to government departments responsible for small business or development, and trade and industry bodies. The low rate of participation in training, especially by owners, and the preference for informal learning methods as revealed in this study are consistent with a picture of small business owners suspicious of more formalised training and a perception that training policy is not relevant. Small businesses tend to prefer to learn using practices such as on-the-job learning and training from suppliers and seminars run by known, usually industry, organisations. In theory, this fits well with the National Vocational Education and Training Strategy. In practice, few small businesses are taking advantage of the formal training system to have skills gained in other ways recognised, nor do they access the formal training system to guide them in learning or training choices.

Recommendations

Developing a learning culture in small business

Businesses with owner/managers and/or employees with post-school qualifications were more likely to be successful (see figure 8). Ongoing learning and training in order to improve efficiency and deal with change was associated with successful small businesses. Because a relationship exists between on-the-job training and successful businesses (see figure 10), participation in accredited training that includes an on-the-job component could be expected to relate to business success. Therefore, there is an argument that small businesses should contribute to the cost of on-the-job training.

Recommendation 1:
A learning and training culture where small business willingly invests in relevant training should be developed by promoting the benefits of learning on the job, ongoing learning, learning to improve efficiency and learning to deal with change. Education and training that includes an on-the-job component and leads to formal qualifications should be given special emphasis.

Employees were more likely to train than the small business owners (see figure 2). Owners and managers with post-school qualifications are more likely to have a training and learning orientation, and to use learning as a strategy for achieving business success. Reports such as that led by Karpin (Industry Taskforce on Leadership and Management Skills 1995) suggest that businesses of all sizes would benefit from more management training.

Recommendation 2:
The benefits of learning and training for owners and managers of small businesses should be a focus of the promotion of a learning and training culture.

Small businesses are familiar with the concept of receiving informal learning from suppliers, trade and business associations, others in the industry and professionals such as accountants (see figure 10). Some businesses have a negative attitude to training (see chapter 6 and table 2).

Recommendation 3:
A learning culture should be promoted through a co-ordinated strategy which uses all available and appropriate avenues—suppliers, trade and industry associations, others in the industry and professionals who interact with small businesses, such as financial advisers and government bodies. The awareness campaign should take into account that many small businesses regard external factors such as competitors and government policies, rather than skills, as the primary determinants of their success, and others do not believe the returns to training are worth the investment.

Learning and training provision

While on-the-job training is associated with successful businesses, a substantial demand for training that is relevant and flexible—preferably on the job—has been identified.

Recommendation 4:
Policy-makers and training providers must continue to work with organisations representing small business to find ways of involving small business in policy development in relation to learning and design of training. For example, consideration should be given to providing industry-specific business management programs as an alternative to provision from a central small business department in a TAFE institute. Known and familiar learning sources should be used to market learning and training opportunities to small business.

Location and time absent from the job were perceived as barriers to training for many businesses, particularly those in non-metropolitan areas (see table 2). Almost one-quarter of the sample chose a training or learning source because there was no available alternative method of learning about the topic (see table A68). Small business prefers an informal style of learning (see table A55) and likes the short duration and easy accessibility of seminars.

Recommendation 5:
Design of learning and training for small business should consider cost, time and location of the activity. Providers using more structured approaches to training should incorporate features of seminars and informal learning where possible. On-the-job training presents fewer barriers to participation and should be encouraged as a way of learning when starting in business and while operating the business. Resources for training in non-metropolitan areas need to be increased so that a wider range of opportunities is available.

Suppliers are in a special position in relation to the introduction of new knowledge and skills to small businesses, and were a learning source for 61 per cent of businesses (see table A53). They have regular contact with businesses, and an interest in the adoption by small business of new products and technologies. However, since suppliers have an interest in maximising their own profits when selling to small business, it may not always be in suppliers' interests to be objective in providing small businesses with learning opportunities.

Recommendation 6:
Policy-makers and training providers should build on the established relationship between small businesses and their suppliers to create innovative learning/training opportunities. Care should be taken to avoid conflicts of interest between suppliers and small business customers.

The nature and range of preferred learning methods and the relationship between small business success and qualifications and ongoing learning behaviour are similar to findings from studies relating to small agricultural businesses (Kilpatrick 1996, 1997). Models used for structured learning and training in agriculture could be applied effectively to other groups of small businesses. Successful models in agriculture include national industry associations which arrange discussion groups and relevant guest speakers, as well as providing printed material and maintaining Web sites. Benchmarking among small primary producer businesses has also been effective for learning and bringing about change. Suppliers to small agricultural businesses have been targeted for training because they are an informal learning source for their small business clients.

Recommendation 7:
Models of structured learning and training from other disciplines, particularly agriculture, should be trialled with small business. Upskilling of professionals in small business and others who work with small business should be a priority.

Responses to open-ended questions in this study suggested that many small businesses were involved in informal learning, although the owners did not

always recognise or value the skills acquired through this methodology. Others wanted guidance in promoting the quality of their business, including their skills, to financiers and potential customers (see table 2).

Recommendation 8:
A co-ordinated strategy which recognises and highlights the broad range of skills held by small business should be developed. Such a strategy should be implemented by the government, the training sector and industry. Further investigation is needed into appropriate ways of recognising high quality skills in small businesses, especially the management skills of owner/managers. Such a recognition system could be used by those wanting to assess the quality of a business, as well as by government when purchasing goods and services. Quality assurance may provide some guidelines for such a system.

The identified interest in learning about computers and the internet (see figure 7) could be used as a way of introducing more small businesses to a planned approach to learning, including more structured training. Businesses which have used structured learning or training in the past were more likely to plan future learning and training activities. Therefore, successful computer training experiences may increase future participation by small business in other learning and training activities. The design of training programs should take account of the relationship between success and learning shown to be relevant to the small business. Computer training programs should be evaluated to determine the features of effective programs, which will vary for different groups of small businesses.

Recommendation 9:
The current high level of interest in learning about computers and the internet should be maximised by provision of learning opportunities and training programs targeting small business.

Further research

This study revealed only a few differences in the types of learning and training undertaken, and how they relate to success in different industries, locations, or for different-sized businesses. The scope of the study did not permit differentiation between different types of courses, seminars and forms of informal learning from suppliers. The effectiveness of a more structured approach to the activities of trade and industry associations and chambers of commerce needs to be investigated. Although this study found no relationship between success and inter-enterprise learning between customers and suppliers, the effectiveness of this form of learning (building on the work of Field [1997]) needs to be investigated.

Recommendation 10:
Further research which takes into account defining features, such as industry, skill requirements, location and business size is needed into the effectiveness of the various learning methodologies for small business.

The study found differences in the reasons given by successful and other businesses for choosing learning or training activities. A means of guiding small businesses toward learning sources appropriate for the particular business and for different purposes should improve the results from learning activities.

Recommendation 11:
Further research to analyse how small businesses make learning and training decisions is needed. This should lead to the development of guidelines for small business on when to undertake training and how to choose the training most appropriate to their needs.

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Appendix 1

Additional tables

Table A3: Employees by age and industry

Industry	Number of employees					15–19 year olds			20–24 year olds			Total
	0	1 or 2	3 to 5	6 to 9	10 or more	0	1	2 or more	0	1	2 or more	
Construction	16	14	10	3	2	36	7	2	34	6	5	**45**
Manufacturing	10	13	10	3	5	32	4	5	30	4	7	**41**
Property services	20	15	6	4		39	6		35	6	4	**45**
Retail	13	12	12	10	3	45	3	2	30	11	9	**50**
Total	**59**	**54**	**38**	**20**	**10**	**152**	**20**	**9**	**129**	**27**	**25**	**181**
% all businesses	33	30	21	11	6	84	11	5	71	15	14	

Table A4: Years in business

Years in business	Number	%
Less than 3	27	15
3 to 5	45	25
More than 5 to 10	50	28
More than 10 to 15	29	16
More than 15	29	16
Not stated	1	1
Total	**181**	**100**

Table A5: Number of partners

Number of partners	Number	%
Single owner operators	56	31
Partnership of 2	102	56
Partnership of 2–5	20	11
Partnership of more than 5	3	2
Total	**181**	

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Table A6: Respondents by gender and whether an owner or non-owner manager

Respondents	Number	%
Male	114	63
Female	67	37
Owner/manager	160	88
Non-owner manager	21	12
Total	**181**	

Table A7: Other family members working in business

Relationship to respondent	Number	% of sample
Spouse or partner	64	35
Child	2	1
Other	6	3
Total	**72**	**40**

Table A8: Changes in the last two to three years

	Number	%
Number of similar business		
Increased	28	15
Remained the same or fluctuated	71	39
Decreased	82	46
Staff numbers		
Increased	47	26
Remained the same or fluctuated	107	59
Decreased	27	15
Turnover		
Increased	96	53
Remained the same or fluctuated	46	25
Decreased	39	22
Outlets or points of sale		
Increased	53	29
Remained the same or fluctuated	110	61
Decreased	18	10
Total	**181**	

Table A9: Events impacting on the business in last two to three years

Events	Number	%
Changes to the business's market		
Positive	48	44
Neutral	14	13
Negative	46	43
No change in market	73	40
Significant events within the business		
Positive	38	47
Neutral	15	18
Negative	29	35
No significant events	99	55
External events		
Positive	15	20
Neutral	12	16
Negative	49	64
No external events	105	58
Total	**181**	

Table A10: Goals at time of commencing in the business

Goals	Number who had goals	% of sample	Number who met these goals	% with goals who met goal(s)
Financial	120	66	61	51
Own boss	92	51	79	86
Business growth	89	49	59	66
Growth not financial	41	23	27	66
Career	41	23	32	78
Lifestyle	60	33	48	80
Other	3	2	3	100
Had any goals	**157**	**87**		

Table A11: Business plans

Business plan	Number	%
Referred to at least once a month	41	55
Referred to sometimes, at least annually	31	42
Referred to less often than annually	2	3
Total with business plan	74	41
Total	**181**	

Table A12: Structural characteristics and indicators of success

Success	Successful	% successful	Neutral	% neutral	Unsuccessful	% unsuccessful	Total
Industry							
Construction	31	69	6	13	8	18	**45**
Manufacturing	21	51	11	27	9	22	**41**
Property and business services	22	49	12	27	11	24	**45**
Retail	21	42	17	34	12	24	**50**
Location							
Metropolitan	45	47	29	31	21	22	**95**
Non-metropolitan	50	58	17	20	19	22	**86**
Area							
Adelaide	20	65	7	23	4	13	**31**
Burnie/Wynyard	15	47	6	19	11	34	**32**
Darwin	15	44	13	38	6	18	**34**
Emerald	12	55	6	27	4	18	**22**
Fairfield	10	33	9	30	11	37	**30**
Tamworth	23	72	5	16	4	13	**32**
Years in business*							
Less than 3			25	93	2	7	**27**
3 to 5 years	30	67	5	11	10	22	**45**
More than 5 to 10	35	70	6	12	9	18	**50**
More than 10	30	52	9	16	19	33	**58**
Not stated		0	1	100		0	**1**
Number of employees							
0**	22	37	18	31	19	32	**59**
1 or 2	31	57	14	26	9	17	**54**
3 to 5	20	53	11	29	7	18	**38**
6 plus	22	73	3	10	5	17	**30**
Women partners?*							
Yes	70	59	24	20	24	20	**118**
No	25	40	22	35	16	25	**63**
Number of partners*							
1	20	36	24	43	12	21	**56**
2	64	63	19	19	19	19	**102**
more than 2	11	48	3	13	9	39	**23**
Family business?*							
Yes	56	60	15	16	22	24	**93**
No	39	44	31	35	18	20	**88**
Total	**95**	**52**	**46**	**25**	**40**	**22**	**181**

Note: * χ^2 p value < 0.05, **χ^2 p value < 0.05 for 0 employees compared to one or more employees

Table A13: Businesses that had been to a relevant course by industry and location

Industry	Metro.	Non-metro.	Industry total	% of industry
Construction	2	13	15	33
Manufacturing	9	5	14	34
Property services	10	7	17	38
Retail	3	8	11	22
Location total	**24**		**33**	**57**
% of location	26		38	31

Note: $\chi 2 = 10.87$ p value <0.05

Table A14: Attended a relevant course by geographic area of business

Area	Been to a relevant course	No course	Total	%
Adelaide	6	25	31	19
Burnie/Wynyard	13	19	32	41
Darwin	10	24	34	29
Emerald	9	13	22	41
Fairfield	8	22	30	27
Tamworth	11	21	32	34
Total	**57**	**124**	**181**	**31**

Note: $\chi 2$ p value 0.4442

Table A15: Attended a relevant course by years in business

Business age	Been to a relevant course	No course	% of business age
Less than 3 years	5	22	19
3 to 5 years	14	31	31
More than 5 to 10 years	21	29	42
More than 10 to 15	9	20	31
More than 15 years	8	21	28
Unknown age	0	1	0
Total	**57**	**124**	**31**

Note: $\chi 2$ p value 0.3763

Table A16: Attended a relevant course by number of partners

Number of partners	Attended course	No course	% partner size
1	16	40	29
2	35	67	34
More than 2	6	17	26
Total	**57**	**124**	**31**

Note: $\chi 2$ p value 0.4602

Table A17: Attended a relevant course by whether a family business

Family business	Attended course	No course	%
No	24	60	27
Yes	33	64	35
Total	**57**	**124**	**31**

Note: $\chi 2$ p value 0.3748

Table A18: Attended a relevant course by whether had women partners

Women partner(s)?	Attended course	No course	%
No women partners	17	46	27
Women partners	40	78	34
Total	**57**	**124**	**31**

Note: $\chi 2$ p value 0.3401

Table A19 Course attendance by owner/managers and employees

Who did course	Number of businesses participating	Number of businesses not participating	%
Employees	34	88	28
Owners/managers	33	148	18
Any course	57	124	31

Note: $\chi 2$ p value 0.00015

Table A20: Attended relevant course by number of employees

Number of employees	Attended course*	No course	% of employee size	Number of employees under 25	Attended course**	No course	% young employee size
0	11	48	19	0	24	89	21
1 to 2	22	32	41	1	18	18	50
3 to 5	11	27	29	2	6	11	35
6 to 9	9	11	45	More than 2	9	6	60
10 or more	4	6	40				
Total	**57**	**124**	**31**	**Total with employees under 25**	**33**	**35**	**49**

Note: $\chi 2$ p value 0.0664, **$\chi 2$ p value <0.0001

Table A21: Course content area by provider

Provider and area	Businesses attended 1 course	Businesses attended 2 or more courses of type	% of all courses
University	3	0	4
TAFE or VET technical	30	4	47
TAFE or VET business management	12	2	20
Adult Education	6	0	7
Other non-accredited technical	10		12
Other non-accredited management	8		10
Total courses	**69**	**14**	**83**

Table A22: Attended relevant course by highest employee & partner qualifications

Highest employee & partner qualifications	Attended course	No course	Total group	% qualification
University	16	30	**46**	35
VET	31	57	**88**	35
School	8	33	**41**	20
Not stated	2	4	**6**	33
Total	**57**	**124**	**181**	**31**

Note: $\chi 2$ p value 0.0853

Table A23: Course content and provider by industry

Industry services	Construction	Manufacturing	Property	Retail	Total
University	1	0	1	1	**3**
TAFE or VET technical	7	3	16	13	**39**
TAFE or VET business management or related	3	9	1	4	**17**
Other technical	1	2	4	3	**10**
Other management or related	4	2	0	2	**8**
Adult Education	3	3	0	0	**6**
Total courses	**19**	**19**	**22**	**23**	**83**

Table A24: Participated in on-the-job training by industry

Industry	On-the-job training	No on-the-job training	Total	% training on the job
Construction	18	27	**45**	40
Manufacturing	12	29	**41**	29
Property services	21	24	**45**	47
Retail	15	35	**50**	30
Total	**66**	**115**	**181**	**36**
% participating	36	64		

Note: $\chi 2$ p value 0.2527

Table A25: Participation in on-the-job training by location

Location	On-the-job training	No on-the-job training	Total	% training on the job
Metro	31	64	**94**	33
Non-metro	35	51	**86**	41
Total	**66**	**115**	**181**	**36**

Note: $\chi 2$ p value 0.2831

Table A26: Participation in on-the-job training by geographic area

Area	Been to a relevant course	No course	Total	%
Adelaide	12	19	**31**	39
Burnie/Wynyard	10	22	**32**	31
Darwin	14	20	**34**	41
Emerald	14	8	**22**	64
Fairfield	5	25	**30**	17
Tamworth	11	21	**32**	34
Total	**66**	**115**	**181**	**36**

Note: $\chi 2$ p value 0.0242

Table A27: Participated in on-the-job training by content area by industry

Industry	Construction		Manufacturing		Property services		Retail		Total	%
On-the-job technical	18	40%	7	17%	19	42%	8	16%	**52**	29
On-the-job management	2	4%	4	10%	7	16%	10	20%	**23**	13
Total	**45**	**100%**	**41**	**100%**	**45**	**100%**	**50**	**100%**	**181**	**100**

Note: $\chi 2$ p values: technical 0.0037, management 0.1208

Table A28: On-the-job training by years in business

Years in business	On-the-job training	No on-the-job training	Total	% of business age group
Less than 3 years	8	19	**27**	30
3 to 5 years	19	26	**45**	42
More than 5 to 10	22	28	**50**	44
More than 10 to 15	10	19	**29**	34
More than 15	7	22	**29**	24
Not stated		1	**1**	0
Total	**66**	**115**	**181**	**36**

Note: F value 0.971 (using raw number of years)

Table A29: On-the-job training by number of partners

Number of partners	On-the-job training	No on-the-job training	Total	%
1	18	38	**56**	32
2	39	63	**102**	38
More than 2	9	14	**23**	39
Total	**66**	**115**	**181**	**36**

Note: $\chi 2$ p value 0.4456

Table A30: On-the-job training by whether a family business

Family business?	On-the-job training	No on-the-job training	Total	%
No	32	56	**88**	36
Yes	34	59	**93**	37
Total	**66**	**115**	**181**	**36**

Note: $\chi r2$ p value 0.7557

Table A31: On-the-job training by whether had women partners

Women partners?	On-the-job training	No on-the-job training	Total	%
No women partners	25	38	**63**	40
Women partner(s)	41	77	**118**	35
Total	**66**	**115**	**181**	**36**

Note: $\chi 2$ p value 0.5110

Table A32: On-the-job training by highest qualification level of partners and employees

Highest employee and partner qualifications	On-the-job training	No on-the-job training	Total	% of qualification group
University	21	25	**46**	46
VET	30	58	**88**	34
School	13	28	**41**	32
Not stated	2	4	**6**	33
Total	**66**	**115**	**181**	

Note: $\chi 2$ p value 0.3187

Table A33: On-the-job training by number of employees and employees under 25 years

Number of employees	On-the-job training*	No on-the-job training	Total	%	Number of employees under 25	On-the-job training**	No on-the-job training	Total	%
0	16	43	**59**	27	0	35	78	**113**	31
1 or 2	20	34	**54**	37	1	17	23	**40**	43
3 to 5	12	26	**38**	32	2	10	10	**20**	50
6 to 9	11	9	***20***	55	More than 2	4	4	**8**	50
10 or more	7	3	**10**	70					
Total	**66**	**115**	**181**	**36**	**Total with employees under 25**	**31**	**37**	**68**	**46**

Note: *F p value 0.0004 (using raw number of employees),
**$\chi r2$ p value 0.00091 (0 employers < 25 compared to >0)

Table A34: On-the-job training and course attendance by number of employees under 25

Number of employees under 25	Course only%	On-the-job only %	Course and on-the-job %	Neither %	Total
0	14	24	7	55	**113**
1	28	19	22	31	**36**
2	24	29	12	35	**17**
More than 2	20	20	40	20	**15**
Any employees under 25	25	22	24	29	**68**
Total	**18**	**23**	**13**	**45**	**181**

Note: $\chi r2$ p value < 0.0001 for 0 employees and >0 employees under 25

Table A35: On-the-job training and course attendance by industry

Industry Training	% of Construction	% of Manufacturing	% of Property services	% of Retail	Total
Course and on-the job	16	15	16	8	**24**
On-the-job, no course	24	15	31	22	**42**
Course, no on-the-job	18	20	22	14	**33**
Neither	42	51	31	56	**82**
Total	**100**	**100**	**100**	**100**	**181**

Note: $\chi r2$ p value < 0.0001

Table A36: Participated in seminars or business meetings by content area by industry

Industry	Construction		Manufacturing		Property		Retail		Total services	%
Seminar technical	2	4%	11	27%	9	20%	14	28%	**36**	20
Seminar management	22	49%	6	15%	17	38%	18	36%	**63**	35
Total	**45**	**100%**	**41**	**100%**	**45**	**100%**	**50**	**100%**	**181**	**100**

Note: $\chi 2$ values: technical 8.67, management 8.66, both $p < 0.05$

Table A37: Seminar and meeting attendance by industry

Industry	Business seminar or meeting	No seminar or meeting	Total of industry	%
Construction	28	17	**45**	62
Manufacturing	19	22	**41**	46
Property services	26	19	**45**	58
Retail	38	12	**50**	76
Total	**111**	**70**	**181**	**61**

Note: $\chi 2$ p value 0.0339

Table A38: Seminar and meeting attendance by presence of women partners

Women partners?	Business seminar or meeting	No seminar or meeting	Total	%
No women partner	31	32	**63**	49
Women partner(s)	80	38	**118**	68
Total	**111**	**70**	**181**	**61**

Note: $\chi 2$ p value < 0.0001

Table A39: Seminar and meeting attendance by location

Location	Business seminar or meeting	No seminar or meeting	Total	% of location
Adelaide	17	14	**31**	55
Darwin	24	10	**34**	71
Fairfield	12	18	**30**	40
Metro	53	42	**95**	56
Burnie/Wynyard	24	8	**32**	75
Emerald	19	3	**22**	86
Tamworth	15	17	**32**	47
Non-metro	58	28	**86**	67
Total	**111**	**70**	**181**	**61**

Note: $\chi 2$ p value 0.1079 metro/non-metro, $\chi 2$ p value 0.0022 by specific geographic area

Table A40: Seminar and meeting attendance by number of employees

Number of employees	Business seminar or meeting	No seminar or meeting	Total	%	Number of employees under 25	Business seminar or meeting	No seminar or meeting	Total	%
0	30	29	**59**	51	0	60	53	**113**	53
1 or 2	34	20	**54**	63	1	27	9	**36**	75
3 to 5	25	13	**38**	66	2	10	7	**17**	59
6 to 9	16	4	**20**	80	More than 2	14	1	**15**	93
10 or more	6	4	**10**	60	Any under 25*	17	51	**68**	75
Total	**111**	**70**	**181**	**61**	**Total**	**111**	**70**	**181**	**61**
F p value	0.2297				*χ^2 p value	0.0003			

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Table A41: Seminar and meeting attendance by number of partners

Number of partners	Business seminar or meeting	No seminar or meeting	Total	%
1	30	26	**56**	54
2	68	34	**102**	67
More than 2	13	10	**23**	57
Total	**111**	**70**	**181**	**61**

Note: $\chi 2$ p value 0.1047

Table A42: Seminar and meeting attendance by whether a family business

Family business?	Business seminar or meeting	No seminar or meeting	Total	%
No	50	38	**85**	59
Yes	61	32	**96**	64
Total	**111**	**70**	**181**	**61**

Note: $\chi 2$ p value 0.2069

Table A43: Seminar and meeting attendance by highest qualification level

Highest employee and partner qualifications	Business seminar or meeting	No seminar or meeting	Total	% of qualification group
University	29	17	**46**	63
VET	54	34	**88**	61
School	26	15	**41**	63
Not stated	2	4	**6**	33
Total	**111**	**70**	**181**	**61**

Note: $\chi 2$ p value 0.6106

Table A44: Use of consultants or mentors by industry

Industry	Used consultant or mentor	No consultant or mentor	Total	%
Construction	13	32	**45**	29
Manufacturing	9	32	**41**	22
Property services	20	25	**45**	44
Retail	15	35	**50**	30
Total	**57**	**124**	**181**	**31**

Note: $\chi 2$ p value 0.1434

Table A45: Use of consultants or mentors by number of partners

Number of partners	Used consultant or mentor	No consultant or mentor	Total	%
1	18	38	**56**	32
2	27	75	**102**	26
More than 2	12	11	**23**	52
Total	**57**	**124**	**181**	**31**

Note: $\chi 2$ p value 0.0560

Table A46: Use of consultants and mentors by location

Location	Used consultant or mentor	No consultant or mentor	Total	%
Metro	29	66	**95**	31
Non-metro	28	58	**86**	33
Total	**57**	**124**	**181**	**31**

Note: $\chi 2$ p value 0.7688

Table A47: Use of consultants and mentors by geographic area

Area	Used consultant or mentor	No consultant or mentor	Total	%
Adelaide	9	22	**31**	29
Burnie/Wynyard	10	22	**32**	31
Darwin	13	21	**34**	38
Emerald	6	16	**22**	27
Fairfield	7	23	**30**	23
Tamworth	12	20	**32**	38
Total	**57**	**124**	**181**	**31**

Note: $\chi 2$ p value 0.7845

Table A48: Use of consultants and mentors by number of employees

Number of employees	Used consultant or mentor	No consultant or mentor	Total	%	Number of employees under 25	Used consultant or mentor	No consultant or mentor	Total	%
0	19	40	**59**	32	0	34	79	**113**	30
1 or 2	18	36	**54**	33	1	13	23	**36**	36
3 to 5	8	30	**38**	21	2	5	12	**17**	29
6 to 9	10	10	**20**	50	More than 2	5	10	**15**	33
10 or more	2	8	**10**	20	Any under 25	23	45	**68**	34
Total	**57**	**124**	**181**	**31**	**Total**	**57**	**124**	**181**	**31**

Table A49: Use of consultants and mentors by age of business

Years in business	Used consultant or mentor	No consultant or mentor	Total	%
Less than 3	8	19	**27**	30
3 to 5 years	21	24	**45**	47
More than 5 to 10	13	37	**50**	26
More than 10 to 15	7	22	**29**	24
More than 15	8	21	**29**	28
Not stated		1	**1**	0
Total	**57**	**124**	**181**	**31**

Note: F p value 0.9730

Table A50: Use of consultants and mentors by whether a family business

Family business?	Used consultant or mentor	No consultant or mentor	Total	%
No	32	56	**88**	36
Yes	25	68	**93**	27
Total	**57**	**124**	**181**	**31**

Note: $\chi 2$ p value 0.1748

Table A51: Use of consultants and mentors by presence of women partners

Women partners?	Used consultant or mentor	No consultant or mentor	Total	%
No women partner	20	43	**63**	68
Women partner(s)	37	81	**118**	69
Total	**57**	**124**	**181**	**69**

Note: $\chi 2$ p value < 0.1

Table A52: Use of consultants and mentors by highest qualification level of those involved in the business

Highest employee and partner qualifications	Used consultant or mentor	No consultant or mentor	Total	%
University	16	30	**46**	35
VET	30	58	**88**	34
School	10	31	**41**	24
Not stated	1	5	**6**	17
Total	**57**	**124**	**181**	**31**

Note: $\chi 2$ p value 0.6343

Table A53: Informal sources used to gain information or skills

Informal learning source	Technical/ production		Management/ marketing		Total	% of sample
Media	81	45%	76	42%	**106**	59
Customers	52	29%	64	35%	**86**	48
People working in the business	71	39%	60	33%	**94**	52
Other within industry					**150**	83
Franchiser	7	4%	8	4%	**10**	6
Suppliers	106	59%	53	29%	**110**	61
Trade Associations	67	37%	50	28%	**82**	45
Other businesses in industry	60	33%	39	22%	**37**	20
External to industry					**106**	59
Professionals	12	7%	84	46%	**89**	49
Development Centre etc	15	8%	21	12%	**30**	17
Chamber of Commerce	7	4%	20	11%	**22**	12
Service or networking clubs or associations	5	3%	12	7%	**13**	7
Family and social contacts	40	22%	82	45%	**90**	50
Any informal learning source					**176**	97

Table A54: Learnt from media by content area by industry

Industry	Construction		Manufacturing		Property services		Retail		Total	%
Media technical	26	58%	8	20%	25	56%	22	44%	**81**	45
Media management	19	42%	10	24%	21	47%	26	52%	**76**	42

Note: $\chi 2$ p values: technical 0.0013, management 0.0532

Table A55: Useful informal learning sources

Learning source	Media		Customers		People working in business		Others within industry		External to industry, not social		Social not media		Any informal		Total	
Location							*									
Metro	12	13%	13	14%	13	14%	45	47%	23	24%	27	28%	71	75%	**95**	**52%**
Non-metro	17	20%	12	14%	9	10%	57	66%	26	30%	17	20%	78	91%	**86**	**48%**
Area													##			
Adelaide	6	19%	5	16%	3	10%	19	61%	10	32%	7	23%	24	77%	**31**	**17%**
Burnie/Wynyard	8	25%	5	16%	6	19%	19	59%	9	28%	8	25%	28	88%	**32**	**18%**
Darwin	4	12%	5	15%	8	24%	17	50%	10	29%	10	29%	27	79%	**34**	**19%**
Emerald	6	27%	5	23%	2	9%	18	82%	8	36%	6	27%	22	100%	**22**	**12%**
Fairfield	2	7%	3	10%	2	7%	9	30%	3	10%	10	33%	20	67%	**30**	**17%**
Tamworth	3	9%	2	6%	1	3%	20	63%	9	28%	3	9%	28	8%	**32**	**18%**
Industry	**						**									
Construction	11	24%	7	16%	3	7%	37	82%	14	31%	10	22%	43	96%	**45**	**25%**
Manufacturing	4	10%	4	10%	4	10%	18	44%	10	24%	15	37%	28	68%	**41**	**23%**
Property services	11	24%	8	18%	9	20%	20	44%	14	31%	8	18%	37	82%	**45**	**25%**
Retail	3	6%	6	12%	6	12%	27	54%	11	22%	11	22%	41	82%	**50**	**28%**
Employees																
0	11	19%	7	12%	7	12%	32	54%	22	37%	16	27%	47	80%	**59**	**33%**
1 or 2	12	22%	10	19%	7	13%	32	59%	10	19%	14	26%	48	89%	**54**	**30%**
3 to 5	4	11%	4	11%	4	11%	24	63%	10	26%	10	26%	34	89%	**38**	**21%**
6 to 9	2	10%	4	20%	2	10%	11	55%	5	25%	3	15%	14	70%	**20**	**11%**
10 or more	0	0%	0	0%	2	20%	3	30%	2	20%	1	10%	6	60%	**10**	**6%**
Years in business			**		**											
Less than 3	5	19%	6	22%	7	26%	4	15%	5	19%	8	30%	22	84%	**27**	**14%**
3 to 5	9	20%	14	31%	9	20%	10	22%	13	29%	12	27%	38	88%	**45**	**26%**
> 5 to 10	6	12%	2	4%	3	6%	28	56%	12	24%	12	24%	38	76%	**50**	**28%**
> 10 to 15	6	21%	3	10%	1	3%	19	66%	9	31%	6	21%	27	93%	**29**	**16%**
> 15	3	10%	0	0%	2	7%	17	59%	10	34%	6	21%	24	83%	**29**	**16%**
Not stated	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	**1**	**1%**
No. of partners					*											
1	11	20%	10	18%	4	7%	32	57%	14	25%	15	27%	46	82%	**56**	**31%**
2	14	14%	11	11%	17	17%	54	53%	33	32%	24	24%	85	83%	**102**	**56%**
> 2	4	17%	4	17%	1	4%	16	70%	2	9%	5	22%	18	78%	**23**	**13%**
Has women partners							**						#			
yes	19	16%	17	14%	14	12%	73	62%	36	31%	27	23%	104	88%	**118**	**65%**
no	10	16%	8	13%	8	13%	29	46%	13	21%	17	27%	45	71%	**63**	**35%**
Highest qualifications											**					
University	8	17%	6	13%	8	17%	22	48%	11	24%	8	17%	35	76%	**46**	**25%**
VET	15	17%	12	14%	9	10%	56	64%	25	28%	28	32%	80	91%	**88**	**49%**
School	6	15%	7	17%	5	12%	23	56%	13	32%	7	17%	32	78%	**41**	**23%**
Not stated	0	0%	0	0%	0	0%	1	17%	0	0%	1	17%	2	33%	**6**	**3%**
Total	**29**	**16%**	**25**	**14%**	**22**	**12%**	**102**	**56%**	**49**	**27%**	**44**	**24%**	**149**	**82%**	**181**	**100%**

Note: ** $\chi 2$ p value < 0.05 , * $\chi 2$ p value < 0.1, ## F p value < 0.05, # F p value < 0.1 for raw number of sources

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Table A56: Planned learning activities

Activity	Number of businesses	%
Employees	48	27
Partners	58	32
Supplier or franchise seminars or meetings	14	8
Other business-related seminars or workshops	20	11
On-the-job training	20	11
Technical training at TAFE or other VET provider	14	8
Business skills training at TAFE or other VET provider	4	2
Adult Education or other course relevant to business	3	2
University course	2	1
Any planned activity	67	37

Table A57: Planned learning activities by past training behaviour

Past activities	No activities planned	Activities planned	Total	%
Attended course	27	30	**57**	53
Not attended course	87	37	**124**	30
Attended seminar	59	52	**111**	47
Not attended seminar	55	15	**70**	21
On-the-job training	32	34	**66**	52
No on-the-job training	82	33	**115**	29
Total	**114**	**67**	**181**	**37**

Note: $\chi 2$ p value < 0.01 for each pair

Table A58: Planned learning activities by number of employees and number under 25

Number of employees	Activities planned	None planned	Total	%
0	15	44	**59**	25
1 or 2	22	32	**54**	41
3 to 5	13	25	**38**	34
6 to 9	12	8	**20**	60
10 or more	5	5	**10**	50
Number under 25				
0	31	82	**113**	27
1	20	16	**36**	56
2	6	11	**17**	35
3 or more	10	5	**15**	67
Any under 25	36	32	**68**	53
Total	**67**	**114**	**181**	**37**

Note: F p value 0.0505 for employees, $\chi 2$ p value < 0.0001 for any under 25 compared to 0

Table A59: Planned learning activities

Characteristic	Activities planned	None planned	Total	%
Met non-met				
Metro	36	59	**95**	38
Non-metro	31	55	**86**	36
Area				
Adelaide	14	17	**31**	45
Burnie/Wynyard	14	18	**32**	44
Darwin	13	21	**34**	38
Emerald	9	13	**22**	41
Fairfield	9	21	**30**	30
Tamworth	8	24	**32**	25
Industry				
Construction	19	26	**45**	42
Manufacturing	12	29	**41**	29
Property services	15	30	**45**	33
Retail	21	29	**50**	42
Years in business				
Less than 3	10	17	**27**	37
3 to 5	21	24	**45**	47
More than 5 to 10	22	28	**50**	44
More than 10 to 15	6	23	**29**	21
More than 15	8	21	**29**	28
Not stated		1	**1**	0
Numbers of partners				
1	23	33	**56**	41
2	35	67	**102**	34
More than 2	9	14	**23**	39
Women partners?				
Yes	45	73	**118**	38
No	22	41	**63**	35
Highest employee and partner qualifications				
University	19	27	**46**	41
VET	34	54	**88**	39
School	12	29	**41**	29
Not stated	2	4	**6**	33
Total	**67**	**114**	**181**	**37**

Note: $\chi 2$ p values for each group all >0.16

Table A60: Indicators of success by highest qualifications of partners and employees

Success indicator category	Successful	Neutral	Unsuccessful	Increasing turnover	Neutral turnover	Decreasing	Total % of sample
Highest partner qualifications		*			**		
University	25	10	5	25	10	5	**40**
% of qualification category	63	25	13	63	25	13	**22**
VET	49	15	22	51	14	21	**86**
% of qualification category	57	17	26	59	16	24	**48**
School	18	15	11	17	16	11	**44**
% of qualification category	41	34	25	39	36	25	**24**
Not stated	3	6	2	3	6	2	**11**
% of qualification category	27	55	18	27	55	18	**6**
Highest employee and partner qualifications		**			**		
University	28	12	6	29	11	6	**46**
% of qualification category	61	26	13	63	24	13	**25**
VET	51	16	21	52	16	20	**88**
% of qualification category	58	18	24	59	18	23	**49**
School	13	17	11	13	17	11	**41**
% of qualification category	32	41	27	32	41	27	**24**
Not stated	3	1	2	2	2	2	**6**
% of qualification category	50	17	33	33	33	33	**11**
Total	**95**	**46**	**40**	**96**	**46**	**39**	**181**

Note: * $\chi 2$ p value <0.1, ** $\chi 2$ p value <0.05

Table A61: Learning method at time started business and success

Learning method	Successful	Other	Total
Worked it out, experience, trial and error*	69	46	**115**
% of success category	73	53	**64**
Worked in business or related enterprise, learnt from previous owner	58	49	**107**
% of success category	61	57	**59**
Did a course at time started business	31	29	**60**
% of success category	48	34	**33**
Consultant, mentor	24	20	**44**
% of success category	25	23	**24**
Business or social network	18	16	**34**
% of success category	19	19	**19**
Media*	24	6	**30**
% of success category	25	7	**17**
Total	**95**	**86**	**181**

Note: * $\chi 2$ p value < 0.05—More than one response allowed

Table A62: Indicators of success by learning and training sources

Success	Successful	Neutral	Unsuccessful	Increasing	Neutral	Decreasing	Total
Attended a course	35	9	13	31	13	13	**57**
% of success category	37	20	33	32	28	33	**31**
On-the-job training	41**	17	8	42	16	8	**66**
% of success category	43	37	20	44	35	21	**36**
Attended a seminar or business meeting	61	24	26	61**	25	25	**111**
% of success category	64	52	65	64	54	64	**61**
Used consultant or mentor	31	11	15	34	9	14	**57**
% of success category	33	24	38	35	20	36	**31**
Media	18	7	4	19	6	4	**29**
% of success category	19	15	10	20	13	10	**16**
Customers	11	6	8	15	2*	8	**25**
% of success category	12	13	20	16	4	21	**14**
People in the business	10	7	5	12	5	5	**22**
% of success category	11	15	13	13	11	13	**12**
Others within the industry	23	56	23	45	19	21	**85**
% of success category	50	59	58	47	41	54	**47**
External to industry, not social networks	29	7	13	30	6 **	13	**49**
% of success category	31	15	33	31	13	33	**27**
Social networks	20	10	14	23	7 **	14	**44**
% of success category	21	22	35	24	15	36	**24**
Any informal learning, excluding media	80	35	34	82	33 ##	34	**149**
% of success category	84	76	85	85	72	87	**82**
Total	**95**	**46**	**40**	**96**	**46**	**39**	**181**

Note: * $\chi 2$ p value <0.1, ** $\chi 2$ p value <0.05, ## F p value < 0.05 for raw number of sources

Table A63: Qualifications by training and learning sources

Highest employee & partner qualification	School leaver	VET	University	Not stated	Total
Course	8	31 *	16 *	2	**57**
% did course	20	35	35	33	**31**
On-the-job	13	30	21 *	2	**66**
% learnt on-the-job	32	34	46	33	**36**
Seminar	26	54	29 *	2	**111**
% did seminar	63	61	63	33	**61**
Consultant, mentor	10	30 *	16 *	1	**57**
% used consultant/mentor	24	34	35	17	**31**
Media	6	15	8 *	0	**29**
% learnt from media	15	17	17	0	**16**
Any informal, ex media	32	80 *	35 #	2	**149**
% learnt from informal sources	78	91	76	33	**82**
Total	**41**	**88**	**46**	**6**	**181**

Note: * x2 p value <0.05 compared to school leaver, # x2 p value <0.05 compared to VET

Table A64: Prompts for undertaking learning activities, by learning source

Prompt	Course	% citing prompt	On-the-job training	% citing prompt	Seminar	% citing prompt	Mentor/ consultant	% citing prompt	Times prompt cited	Planned activity	% citing prompt
To improve efficiency	39**	68	44**	67	69**	62	32	56	184	36	54
Seek new opportunities	24	42	25	38	88	79	15	26	152	31	46
New technology/ work practices	18**	32	35*	53	76	68	10*	18	139	24	36
Ongoing staff training, inc new staff/ to keep up to date	33*	58	42	64	43	39	11**	19	129	34	51
To take advantage of an opportunity	9	16	20**	30	48	43	20	35	97	34	51
To solve a problem	8	14	27**	41	24	22	38	67	97	19	28
Recommended/ advertised and looked useful	3	5	4	6	45	41	13	23	65	14	21
Required by law/award/ customer/supplier	27	47	7**	11	24	22	3	5	61	9	13
A crisis in the business	2	4	2	3	3*	3	8	14	15	6	9
Other	3	5	0	0	6	5	0	0	9	0	0
Number participating	**57**		**66**		**111**		**57**			**67**	

Note:

* Proportion of successful businesses giving prompt is greater than other business $\chi 2$ p value <0.1

** Proportion of successful businesses giving prompt is greater than other business $\chi 2$ p value <0.05

More than one response could be given. Prompts for up to two activities of each type could be given

Table A65: Prompts for undertaking any type of training or learning activity

Prompt	Successful	Neither successful nor unsuccessful	Unsuccessful	All
Ongoing training, keeping up to date**	50	16	15	**81**
%	53	35	38	**45**
Take advantage of opportunities*	34	8	12	**54**
%	36	17	30	**30**
Seek new opportunities	43	16	19	**78**
%	45	35	48	**43**
Improve efficiency**	62	16	15	**93**
%	65	35	38	**51**
Solve a problem*	33	11	9	**53**
%	35	24	23	**29**
A crisis	2	5	5	**12**
%	2	11	13	**7**
Required by law, award, customer or supplier***	9	7	21	**37**
%	9	15	53	**20**
Recommended or advertised	22	6	11	**39**
%	23	13	28	**22**
New technology or work practices**	45	13	14	**72**
%	47	28	35	**40**
Total	**95**	**46**	**40**	**181**

Note:

*Proportion of successful businesses giving prompt is greater than other business $\chi 2$ p value < 0.1

** Proportion of successful businesses giving prompt is greater than other business $\chi 2$ p value <0.05

*** Proportion of unsuccessful businesses giving prompt is greater than other business $\chi 2$ p value <0.05

Table A66: Prompts for learning and training for successful and other businesses

Prompt/ learning source	Successful	Other	Total
Ongoing training, keeping up to date			
Course*	18	8	**26**
% using course	19	9	**14**
On-the-job training	17	14	**31**
% using on-the-job	18	16	**17**
Seminar	18	14	**32**
% using seminar	19	16	**18**
Mentor**	19	7	**26**
% using mentor	20	8	**14**
Improve efficiency			
Course**	27	7	**34**
% using course	28	8	**19**
On-the-job training**	23	9	**32**
% using on-the-job	24	10	**18**
Seminar**	34	13	**47**
% using seminar	36	15	**26**
Mentor	12	6	**18**
% using mentor	13	7	**10**
To take advantage of opportunity			
Course	4	3	**7**
% using course	4	3	**4**
On-the-job training**	11	3	**14**
% using on-the-job	12	3	**8**
Seminar	20	11	**31**
% using seminar	21	13	**17**
Mentor	12	5	**17**
% using mentor	13	6	**9**
New technology or work practices			
Course**	11	3	**14**
% using course	12	3	**8**
On-the-job training*	17	7	**24**
% using on-the-job	18	8	**13**
Seminar	28	21	**49**
% using seminar	29	24	**27**
Mentor*	8	2	**10**
% using mentor	8	2	**6**
To solve a problem			
Course	5	3	**8**
% using course	5	3	**4**
On-the-job training**	15	5	**20**
% using on-the-job	16	6	**11**
Seminar	12	5	**17**
% using seminar	13	6	**9**
Mentor	19	13	**32**
% using mentor	20	15	**18**
A crisis			
Course	2	0	**2**
% using course	2	0	**1**
On-the-job training	1	1	**2**
% using on-the-job	1	1	**1**
Seminar*	0	3	**3**
% using seminar	0	3	**2**
Mentor	2	5	**7**
% using mentor	2	6	**4**
Seek new opportunities			
Course	11	9	**20**
% using course	12	10	**11**
On-the-job training	12	5	**17**
% using on-the-job	13	6	**9**
Seminar	32	26	**58**
% using seminar	34	30	**32**
Mentor	8	5	**13**
% using mentor	8	6	**7**
Required by law/ customer/award/supplier			
Course	12	9	**21**
% using course	13	10	**12**
On-the-job training**	6	0	**6**
% using on-the-job	6	0	**3**
Seminar	8	9	**17**
% using seminar	8	10	**9**
Mentor	2	1	**3**
% using mentor	2		
Recommended, advertised			
Course	3	0	**3**
% using course	3	0	**2**
On-the-job training	2	1	**3**
% using on-the-job	2	1	**2**
Seminar	16	13	**29**
% using seminar	17	15	**16**
Mentor	8	4	**12**
% using mentor	8	5	**7**
Grand total	**95**	**86**	**181**

Note:

*Proportion of successful businesses giving prompt and choosing learning source is greater than other business $\chi 2$ p value < 0.1

** Proportion of successful businesses giving prompt and choosing learning source is greater than other business $\chi 2$ p value < 0.05

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Table A67: Significant events affecting the business and learning activities

Significant events	Number doing course	% event did course	Number training on-the-job	% event did on-the-job	Number using consultant or mentor	% event used consultant or mentor	Number learning from media	% event learned from media	Informal learning was useful, excludes media	% event did informal learning	Total
Significant events	51	34*	59	40*	50	34*	27	18*	128	86*	**149**
No significant events	6	19	7	22	7	22	2	6	21	66	**32**
Changes in market											
Positive	17	35*	23	48*	19	40*	9	19	40	83	**48**
Neutral	5	36	5	36	4	29	2	14	13	93	**14**
Negative	19	41*	14	30	15	33	8	17	40	87*	**46**
No market change	16	22	24	33	19	26	10	14	56	77	**73**
Other external changes											
Positive	3	20	8	53	9	60*	5	33*	15	100	**15**
Neutral	5	42	3	25	3	25	3	25	9	75	**12**
Negative	18	37	22	45*	17	35	10	20	43	88	**49**
No other external change	31	30	33	31	28	27	11	10	82	78	**105**
Internal changes											
Positive	16	42*	23	61*	17	45*	9	24	35	92*	**38**
Neutral	5	33	5	33	5	33	2	13	12	80	**15**
Negative	12	41*	7	24	12	41*	4	14	24	83	**29**
No internal change	24	24	31	31	23	23	14	14	78	79	**99**
Total	**57**	**31**	**66**	**36**	**57**	**31**	**29**	**16**	**149**	**82**	**181**

Note: *2 p< 0.05 difference compared to those not experiencing significant event

Table A68: Reasons for choosing training or learning activity

Reason for choice of activity	Successful	Other	Total
Networking	22	29	**51**
% of success category	23	34	**28**
Relevant to business	62	46	**108**
% of success category	65	53	**60**
Value for money	10	13	**23**
% of success category	11	15	**13**
Reputation of provider	17	16	**33**
% of success category	18	19	**18**
Subsidy	3	3	**6**
% of success category	3	3	**3**
Convenient location/timing	41	36	**77**
% of success category	43	42	**43**
Good way to learn this	48	33	**81**
% of success category	51	38	**45**
Required by external agent	8	7	**15**
% of success category	8	8	**8**
Recommended/advertised	6	11	**17**
% of success category	6	13	**9**
No alternative	26	18	**44**
% of success category	27	21	**24**
Total	**95**	**86**	**181**

Note: No $\chi 2$ p value < 0.1
More than one reason could be given

Table A69: Reasons for choice of activity by successful and other businesses (significant results only)

Reason	Learning source	Successful	Other	Total
Relevant to business	On-the-job training**	26	12	**38**
% of success category		27	14	**21**
Relevant to business	Mentor**	15	3	**18**
% of success category		16	3	**10**
Good way to learn	Course**	14	4	**18**
% of success category		15	5	**10**
Convenient	Course**	10	2	**12**
% of success category		11	2	**7**

Note: **$\chi 2$ p value < 0.05

Table A70: Missed courses or seminars identified as desirable

	Successful	Not clear	Unsuccessful	Total
Yes	54	20	23	**97**
%	57	43	58	**54**

Note: $\chi 2$ p value 0.2807

Table A71: Factors which prevented attendance at courses or seminars identified as desirable

Inhibitor	Number	% of those who missed an activity
Overall business commitments (too busy)	77	79
Location inconvenient	67	69
Was on at the wrong time	62	64
Cost	57	59
Only some of the course relevant, or course not customised	11	11
Course could not be done in the workplace	7	7
Personal reasons (e.g. illness)	3	3
Missed any activity	97	

Note: More than one reason could be given

Table A72: Factors which would encourage participation in training

Factor	Number	%
Training tailored to particular needs of the business	50	28
More convenient location	40	22
Reduced cost	35	19
Different scheduling of training	26	14
Better promotion of available training	24	13
If the business had more money	23	13
Better courses	19	10
Less red tape and easier rules re training	17	9
On-site courses	16	9
Less employees turnover	9	5
Off-site courses	5	3
No need for more learning/training	16	9

Note: n=181
More than one reason could be given

Appendix 2

The relationship between training and small business

Centre for Research and Learning in Regional Australia
22 May 1998

Project information sheet

The National Centre for Vocational Education Research has commissioned Dr Sue Kilpatrick of the Centre for Research and Learning in Regional Australia to investigate the relationship between training and small business success.

Purpose of the study
The study is concerned with the issue of examining the patterns of investment in vocational education and training by small business and identifying any improvements needed in this area.

Criteria for inclusion in the study
Owner/operated small businesses in three metropolitan and three non-metropolitan locations in Australia are being surveyed for the study. Owner/operators of a small number of business which have recently failed will also be surveyed. The locations have been selected to reflect a range of rates of economic growth. The small business selected are in four industries: retail, manufacturing, property and business services and construction. To be included in the survey your business must employ fewer than 20 people, or fewer than 100 if it is a manufacturing business.

Study procedures
The study involves a telephone survey. One of the owner/managers of the small business will be telephoned at a time convenient to them. They will be asked questions about any upskilling, information gathering activities or education and training undertaken by themselves or their employees in the past 12 months. They will be asked about the way(s) in which they prefer to gather information and improve their skills base, and any barriers to accessing these. The survey will ask for some details about the business and the people working in it.

Confidentiality
All responses are anonymous and confidential. No information identifying any business or the locations surveyed will be disclosed. The locations will be given fictitious names in the project report.

Freedom to refuse or withdraw
Participation is entirely voluntary. You can withdraw from the study at any time without prejudice.

Contact persons
If you would like more information about the project contact the Research Assistant (Name to be inserted) or Dr Sue Kilpatrick, the chief investigator, Centre for Research and Learning in Regional Australia, University of Tasmania, PO Box 1214, Launceston 7250, phone (03) 6324 3018, fax (03) 6324 3040, email Sue.Kilpatrick@utas.edu.au.

Concerns or complaints
This project has received ethical approval from the University of Tasmania Ethics Committee (Human Experimentation).

If you have any concerns of an ethical nature or complaints about the manner in which the project is conducted, contact the Chair or Executive Officer of the University Ethics Committee (Human Experimentation). The Chair is Dr Margaret Otlowski, phone (03) 62 267569 and the Executive Officer is Ms Chris Hooper, phone (03) 62 262763.

Results of investigation
Results of this study will be disseminated widely to small business interest groups, policymakers at the State/Territory and federal levels and training providers and practitioners in both public and private sectors.

Short 2 to 3 page summaries of the findings and recommendations will be prepared. It is anticipated that these summaries could be used as the basis of articles in publications such as Australian Training Review, Australian TAFE Teacher, and the business and general press.

You may request a copy of the results of this study.

You may keep this project information sheet.

Appendix 3

Small business and training questionnaire

SMALL BUSINESS AND TRAINING
Questionnaire

This survey will be used to identify ways in which the operators of small business or increase their knowledge and expertise in the many skills areas that assist small business to survive and thrive

Business history

1. **How long have you been running the business?**

Owners

2. **(a) How many Owner/Operator(s) does the business have?** Number

(b) Is it a FAMILY business (that is all the partners are family)? YES/NO

If Yes, Who in the family works in the business with you?

spouse (or partner)	
parents or children	
other	

(c) How many partners are women?

(Partners = people involved in decision making)

Employees *(Approximate numbers are sufficient)*

3. **(a) How many Employees does your business have?**
   (b) How many are aged 15 - 19?
   (c) How many are aged 20 - 24?

Similar businesses

4. **Were there** fewer/more/about the same **number of similar businesses in your market when the present owners began operating the business compared to now?** fewer/more/about the same

Business size

5. **What has happened to the size of the business over the past 2 to 3 years?**

Have staff numbers:	increased substantially	[ ]
	increased moderately	[ ]
	remained the same	[ ]
	decreased moderately	[ ]
	decreased substantially	[ ]
Has turnover:	increased substantially	[ ]
	increased moderately	[ ]
	remained the same	[ ]
	decreased moderately	[ ]
	decreased substantially	[ ]
Have outlets or points of sale:	increased substantially	[ ]
	increased moderately	[ ]
	remained the same	[ ]
	decreased moderately	[ ]
	decreased substantially	[ ]

Changes

6(a) **Have there been any significant changes in your market in the last 2 - 3 years?** YES/NO

If Yes, have the changes or events had a positive or negative or neutral impact on the business? Positive/Negative/Neutral

6(b) **Have there been any significant events within the business In the last 2 - 3 years, for example changes to the partnership, employees, work practices or financial difficulties?** YES/NO

If Yes, have the changes or events had a positive or negative or neutral impact on the business? Positive/Negative/Neutral

6(c) Have there been any other events which have impacted on the business in the last 2 - 3 years, for example, changes to government policy?

YES/NO

If Yes, have the changes or events had a positive or negative or neutral impact on the business?

Positive/Negative/Neutral

Goals

7. Did you have particular goals when you took on the business?

YES/NO

If Yes, did they include:

Financial success
Being your own boss
Business growth
Growth not financial (like establishing a new product/service)
Career, wanting to learn something new
Lifestyle
Other:

8. Have you met those goals?

Business Plan

9. Do you have a current business plan?

YES /NO

If Yes, how often do you refer to it?

At least once a month	
Sometimes, at least annually	
Less often than annually	

Learning

10. Think about when you first started to run this business. How did you learn what you needed to know to run the business?

Information sources used

11. How does your business keep up to date with the information and the things you need to know to run the business?

For each information source in the following questions, please nominate whether you use the source for:

- technical production advice or information
- business management advice or information
- staff management or advice or information
- product marketing advice or information

11(a) Do you get information or skills from:

	Technical Production	Business Mgmt	Staff Mgmt	Product Marketing
1. Customers/Clients				
2. Employees or partner(s)				
3. Printed matter, computer or the media				

11(b) Do you obtain any information or skills from people or bodies associated with the industry?

YES/NO

If Yes,

11(c) From which people or bodies associated with the industry do you obtain information?

	Technical Production	Business Mgmt	Staff Mgmt	Product Marketing
1. The Franchiser (if applicable)				
2. Suppliers of products or services to your business				
3. Trade Associations				

4. Other businesses in your industry				

11(d) Do you obtain any information or skills from people or bodies external to the industry?

YES/NO

If Yes,

11(e) From which people or bodies external to the industry do you obtain information?

	Technical Production	Business Mgmt	Staff Mgmt	Product Marketing
1. Professionals (banks, accountants, lawyers)				
2. Development Centres/ Enterprise Centres/State Development Authorities/ Regional Boards				
3. Chamber of Commerce				
4. Clubs such as Rotary, Business and Professional Women's Association				

11(f) Do you get information or skills from family or any other social contacts?

	Technical Production	Business Mgmt	Staff Mgmt	Product Marketing
1. Family, friends, social networks				
2. Social or leisure clubs or associations				

12. Of all these people and bodies, which are the most useful?

Seminar attendance

13. In the past 12 months has anyone in your business been to a supplier or *franchise meeting or other business seminar* or meeting?

YES/NO

If Yes,

13(a) How many seminars or meetings? ☐

For the 3 most recent seminars or meetings:

13(b) What were they?

13(c) Who attended (how many employees and how many owners)?

	1	2	3
Employees			
Owners			

13(d) What prompted you to attend a *seminar/meeting* on this topic?
(More than one reason can be given)

On-going staff training, including because of staff turnover			
To look for new opportunities			
To take advantage of an opportunity, e.g. expansion			
To improve efficiency			
To solve a specific problem			
A crisis in the business			
Required by law/award/customer/other			
Recommended/advertised and looked useful			
Other (please specify)			

13(e) Why did you decide to go to this *seminar/meeting* as a way of finding out about this topic? *(More than one reason can be given)*

Networking or learning from others			
Seminar/meeting was specifically relevant to this business			
Value for money			
Seminar/meeting speaker or organiser known to be good			
Subsidy			
Convenient location/timing			
A seminar/meeting is a good way to learn about this topic			
Required by law/award/customer/other			
Recommended/advertised/knew about it			
Always go to these seminars/meetings			
Other (please specify)			

13 (f) How useful was each one?

Very useful/ Useful/Not useful/Unsure or Don't know

On-the-job training

14. In the past 12 months has anyone in your business done any *on-the-job training* that was not part of a course?

YES/NO

If 'Yes'

14(a) How many *on the job training* activities?

For the last 3 on-the-job training activities your business has been involved in:

14(b) Who attended (how many employees and how many owners)?

	1	2	3
Employees			
Owners			

14(c) What prompted this training? *(More than one reason can be given)*

On-going staff training, including because of staff turnover			
To look for new opportunities			
To take advantage of an opportunity, e.g. expansion			
To improve efficiency			
To solve a specific problem			
A crisis in the business			
Required by law/award/customer/other			
Recommended/advertised and looked useful			
Other (please specify)			

14(d) Why did you decide *on on-the-job training* rather than another type of training?
(More than one reason can be given)

Is specifically relevant to this business			
Value for money			
Provider/trainer known to be good			
Subsidy			
Convenient location/timing			
Is a good way to learn about this topic			
Required by law/award/customer/other			
Always do it this way			
Other (please specify)			

14(e) How useful was each one?

Very useful/ Useful/Not useful/Unsure or Don't know

Course attendance

15. In the past 12 months has anyone in your business been to a *course* which is relevant to the business? YES/NO

If 'Yes'

15(a) How many of the *courses* were:

TAFE or Vocational Education & Training (VET) technical	
TAFE or VET business management	
Adult Education	
University	
Other (specify)	

For the 3 most recent courses your business has attended or is attending:

15(b) Who attended (how many employees/owners)

	1	2	3
Employees			
Owners			

15(c) What prompted you or your employees to take this *course*?
(More than one reason can be given)

On-going staff training, including because of staff turnover			
To look for new opportunities			
To take advantage of an opportunity, e.g. expansion			
To improve efficiency			
To solve a specific problem			
A crisis in the business			
Required by law/award/customer/other			
Recommended/advertised and looked useful			
Other (Please specify)			

15(d) Why did you decide on this *course* rather than another course or another form of training? *(More than one reason can be given)*

Networking or learning from others			
Is specifically relevant to this business			
Value for money			
Provider/trainer known to be good			
Subsidy			
Convenient location/timing			
Is a good way to learn about this topic			
Required by law/award/customer/other			
Always do it this way			
Other (Please specify)			

15(e) How useful was it?
Very useful/ Useful/Not useful/Unsure/Don't know

Use of other advisers

16. In the past 12 months has the business used a *consultant, mentor or other adviser* to learn new skills for the business/or to improve the business?

YES/NO

If 'Yes'
For the 3 most recent occasions on which you used such an adviser:

16(a) What category of *adviser* did you use?

16(b) What prompted you to use this *adviser*?
(More than one reason can be given)

	1	2	3
On-going staff training, including because of staff turnover			
To look for new opportunities			
To take advantage of an opportunity, e.g. expansion			
To improve efficiency			
To solve a specific problem			
A crisis in the business			
Required by law/award/customer/other			
Recommended/advertised and looked useful			
Other (Please specify)			

16(c) Why did you decide to use this *adviser* rather than choosing another way of learning about this topic?
(More than one reason can be given)

Is specifically relevant to this business			
Value for money			
Adviser known to be good			
Subsidy			
Convenient location/timing			
Is a good way to learn about this topic			
Required by law/award/customer/other			
Always do it this way			

Other (Please specify)			

16(d) How useful were they?
Very useful/ Useful./Not useful/Unsure/Don't know

Learning/training participation

17 (a) Have you planned any participation in any *learning/training activities* for the next 12 months?

YES/NO

If Yes, who is it for?

For yourself	
For those who work for you	

For each of the next 3 activities which you plan:
17 (b) What is the planned *learning/training activity*?

17 (c) What prompted you to plan this *learning/training activity?*
(More than one reason can be given.)

On-going staff training, including because of staff turnover			
To look for new opportunities			
To take advantage of an opportunity, e.g. expansion			
To improve efficiency			
To solve a specific problem			
A crisis in the business			
Required by law/award/customer/other			
Recommended/advertised and looked useful			
Other (Please specify)			

17(d) Why did you decide on this format rather than another *learning/ training* format? *(More than one reason can be given.)*

Networking or learning from others			
Is specifically relevant to this business			
Value for money			
Provider/trainer known to be good			
Subsidy			
Convenient location/timing			
Is a good way to learn about this topic			
Required by law/award/customer/other			
Always do it this way			
Other (Please specify)			

18. In the last 12 months were there any courses or seminars that you would have liked you or your employees to attend but you or they couldn't?

YES/NO

If Yes, ***for each of up to 3 activities which you missed,*** **what were the reasons you were unable to attend?**
(More than one reason can be given.)

	1	2	3
Was on at the wrong time			
Overall business commitments (too busy)			
Cost			
Location inconvenient			
Only some of the course relevant, or course not customised			
Personal reasons (eg illness)			
Course couldn't be done in the workplace			
Other (Please specify)			

19. Can you suggest anything that would encourage your business to participate in more training and learning activities?

20. Can you tell me the qualifications of the people involved in your business?

Qualifications	**Partner(s)**	**Employee(s)**
Left school before grade 10		
Left school after grade 10		
Apprenticeship/ Traineeship/ TAFE Certificate or Diploma		
University diploma or degree		

Indicate by number: eg 5 have TAFE certificate, 2 left school before grade 10
(Approximate numbers are sufficient)

21. Is there a topic you would like to know more about or to be trained in? If so what:

22. Is there anything else you would like to add about learning or training in relation to small business?

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Appendix 4

Location selection data

Australia as a median	**Indicators** (taken from the 1995–97 period) Has 5.4% unemployment (last census) Building approvals have increased from around 7000 in Nov 1996 to 9000 in February 1998 Gross Domestic Product has gone from 3.1 (95–96) to 3.7 (Dec 97) Population has grown by 1.2% (1997) Median national age is 34 (last census) Median national income is $292 (last census)

Locations	Indicators	Met/non-met	Rate of growth
Darwin City, Northern Territory	Has 5% unemployment Building approvals have increased from roughly 100 in Dec 95 to 150 in Dec 97 The Northern Territory Gross State Product has improved from -3.2% (1995–96) to -1.5% (1996–97) The population growth is 0.8% Median age is 31 Median individual income is $433	Met	Fast
Fairfield Western Sydney, New South Wales	Has 8.9% unemployment Building approvals in New South Wales increased from roughly 3200 (Nov 95) to 4300 (Nov 97) New South Wales Gross State Product has increased from 0.1% (1995–96) to 1.6% (1996–97) The population growth is 0.5% Median age is 31 Median individual income is $224	Met	Slow
Port Adelaide, South Australia	Has 7.1% unemployment South Australian building approvals decreased dramatically between Nov 92 – Nov 95 and have since increased slightly from 420 – 470 (Nov 97) The South Australian Gross State Product was -1.2% (1995–96) and improved to 0.3% (1996–97) The Port Adelaide population growth is 0.1% Median age at Port Adelaide is 36 Median individual income is $237	Met	Slow

Locations	Indicators	Met/non-met	Rate of growth
Burnie-Wynyard, Tasmania	Burnie has 7.4% and Wynyard 6.4% unemployment Building approvals have decreased from over 200 in Dec 95 to 150 in Dec 97 The Tasmanian Gross State Product was -2.6% (1995–96) and -2.1% (1996–97) The Tasmanian population has declined by -0.5% at Burnie and -0.3% at Wynyard The median age for Burnie is 33 and Wynyard 34 Median individual income Burnie: $231 and Wynyard: $220	Non-met	Slow
Emerald (Fitzroy), Queensland	Has unemployment rate of 3.3% Building approvals for Qld from just under 3000 in Nov 95 to around 3000 Nov 97 The Queensland Gross State Product was 0.5% (1995–96) and 1.5% (1996–97) The population growth at Emerald is 2.4% The median age is 31 The median individual income is $357	Non-met	Fast
Tamworth, New South Wales	Has unemployment of 6.2% Building approvals in NSW increased from 3200 (Nov 95) to 4300 (Nov 97) NSW Gross State Product has increased from 0.1% (1995–96) to 1.6% (1996–97) The population at Tamworth is in decline -0.1% The median age is 33 The median income is $274	Non-met	Mid/slow

Appendix 5

Reference group members

Name	Title	Organisation
Steve Balzary	Executive Director	Australian Chamber of Commerce and Industry
Hugh Guthrie	Manager NREC	National Centre for Vocational Education Research
Jeremy Gilling	Executive Officer	Manufacturing Learning Australia
David Morgan	Research and Development Officer	Tasmanian Building and Construction Industry Training Board
Jeanette Allen	Executive Director	National Wholesale, Retail, Personal Services
Bill Healey	Executive Director	Retail Traders of New South Wales
Ian Blandthorn	National Assistant Secretary	Shop Distributors Association
John Scales		previously of the Small Business Training Centre

The National Centre for Vocational Education Research is Australia's primary research and development organisation in the field of vocational education and training.

NCVER undertakes and manages research programs and monitors the performance of Australia's training system.

NCVER provides a range of information aimed at improving the quality of training at all levels.

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